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AFFORDABLE HEALTH CARE FOR SMALL BUSINESSES

As a former small business owner, Congresswoman Giffords knows how difficult it is to compete, from making payroll to dealing with the skyrocketing costs of health care premiums.

Through tax credits, shared responsibility, and one-stop shopping Exchanges, the Affordable Health Care for America Act will provide small businesses access to the same quality, affordable health insurance coverage available to large employers.

WHAT'S IN IT FOR SMALL BUSINESSES?

IMMEDIATE TAX CREDITS

Today, small businesses who offer employee health insurance may be eligible for tax credits. H.R. 3950 provides a tax credit of **up to 35% of premiums** am small business pays for its workers in 2010-2013, and **50% starting in 2014** (for two years).

Over \$40 billion in tax credits will be given to small businesses to help them offer employee coverage. There are **15,200** small businesses in my district that could benefit from these tax credits.

SHOP EXCHANGES

Small businesses pay higher rates today because they do not have the advantage of large numbers of employees over which to spread insurance risk.

Beginning in 2014, small business will be able to pool together for lower premiums in state-based Small Business Health Options Program (SHOP) Exchanges. These Exchanges will include **web portals** that provide standardized, **easy-to-understand information** that make comparing and purchasing health care coverage easier for small business employees, and **reduce the administrative hassle**.

SHOP Exchanges will offer plans that:

- Lower rates that currently only large groups and firms get,
- Stable pricing from year to year,
- Lower administrative costs, and
- A choice of quality plans.

EXEMPTIONS

Small businesses with fewer than 50 employees are exempt from all health insurance requirements.

SHARED RESPONSIBILITY

More than 96% of all businesses with more than 50 employees already offer health insurance. These businesses are exempt from health insurance requirements.

- Beginning in 2014, employers with 50 or more employees that do not offer health insurance coverage will pay an assessment of \$2,000 per full-time worker if any of their employees obtain premium tax credits to subsidize the cost of their plans.
 - However, to avoid disincentives to hire an additional employee above 49 employees, the bill subtracts the first 30 employees from this payment calculation

REFORM AND YOUR SMALL BUSINESS

Health care reform will affect small businesses differently based on their size, payroll, and current health benefits. The following break-down will give you a better understanding of what health care reform means for your small business.

FEWER THAN 25 EMPLOYEES

- **You are exempt** from any requirement to offer your employees health insurance.
- If you choose to offer insurance:
 - You are eligible for **tax credits today**.
 - If your average annual wages are \$50,000 or less and you contribute at least 50% of the total premium cost for your employees, you will receive a small business **tax credit for up to 35% of the employee's premium** – available through 2013.
 - Starting in 2014, you can enter your state-based **SHOP Exchange**, where your employees can shop for affordable health plans.
 - In 2014 in the Exchange employers can receive a **tax credit for two years of up to 50% of their employees' premiums**.

FEWER THAN 50 EMPLOYEES

- **You are exempt** from any requirement to offer your employees health insurance.
- If you choose to offer insurance:
 - Starting in 2014, you can enter your state-based **SHOP Exchange**, where your employees can shop for affordable health plans.

FEWER THAN 100 EMPLOYEES

- **Starting in 2014**, you can enter your state-based **SHOP Exchange**, where your employees can shop for affordable health plans
- Shared responsibility:
 - Beginning in 2014, most individuals will be responsible for maintaining minimum essential coverage. As an employer with more than 50 employees, you must offer employee health benefits or pay a fee.

MORE THAN 100 EMPLOYEES

- **Starting in 2017**, many states will open the SHOP exchanges to employers like you, with more than 100 employees. In the **SHOP Exchange** you will be able to shop for affordable health plans for your employees and offer competitive benefits to attract new employees.
- Shared responsibility:
 - Beginning in 2014, most individuals will be responsible for maintaining minimum essential coverage. As an employer with more than 50 employees, you must offer employee health benefits or pay a fee.