What does the ACA mean for my business?

It is important to know the size of your business (classified by overall number of full-time plus full-time equivalent employees) because parts of the Affordable Care Act (ACA) apply differently based on size. This chart shows how businesses are usually classified as either small or large, and how the number of employees affects ACA provisions.

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>SHOP access</th>
<th>Employer shared responsibility</th>
<th>Individual mandate</th>
<th>Tax credits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Self-employed</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes, premium tax credit</td>
</tr>
<tr>
<td>24 or fewer</td>
<td>2014</td>
<td>No</td>
<td>No*</td>
<td>Yes, small business health care tax credit</td>
</tr>
<tr>
<td>25 to 49</td>
<td>2014**</td>
<td>No</td>
<td>No*</td>
<td>No</td>
</tr>
<tr>
<td>Large</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50 to 99</td>
<td>2016**</td>
<td>2016</td>
<td>No*</td>
<td>No</td>
</tr>
<tr>
<td>100 or more</td>
<td>2017 (by state)</td>
<td>2015</td>
<td>No*</td>
<td>No</td>
</tr>
<tr>
<td>More than 200</td>
<td>2017 (by state)</td>
<td>2015 with auto enrollment of employees</td>
<td>No*</td>
<td>No</td>
</tr>
</tbody>
</table>

* Affects employees if no employee coverage offered or employer coverage is unaffordable or inadequate
** Businesses with 50 employees gained SHOP access in 2014.

Terms used in the chart are described below.

**SHOP**
The Small Business Health Options Program (SHOP) Marketplace helps businesses provide health coverage to their employees. The SHOP provides employers access to private health insurance plans that must cover at least 60% of the cost of required essential health benefits.

**Health Insurance Marketplace**
Self-employed individuals can buy health insurance through the Missouri Health Insurance Marketplace, which lets individuals and families compare and buy private health insurance plans. Anyone can shop for plans in the Marketplace for themselves and their families. Those who are not offered affordable health insurance that meets minimum coverage requirements through employers may also be eligible for financial assistance to help buy Marketplace insurance. These plans are offered by private health insurers.

**Employer shared responsibility**
All businesses with 50 or more employees must provide health insurance for full-time employees (and their dependents) or pay a monthly employer shared responsibility payment (or penalty) on their federal tax returns. Depending on employer size, the penalties will begin in 2015 and 2016.

**Individual mandate**
Self-employed individuals and others without employer-based insurance are subject to the individual mandate, which calls for each individual to have minimum essential health insurance coverage, qualify for an exemption, or make a shared responsibility payment (or penalty) when filing a federal income tax return. Minimum essential coverage refers to the minimum health insurance coverage everyone needs to have, similar to Missouri’s requirement that every driver have a minimum level of car insurance.

**Tax credits**
Financial help in the form of tax credits are available to some businesses and individuals to help cover the cost of health insurance.

- **Premium tax credit.** Self-employed persons, as individuals, might qualify for tax credits to help them pay their monthly insurance premiums for insurance plans bought through the Health Insurance Marketplace.
- **Small business health care tax credit.** Small businesses with 24 or fewer employees might qualify for the small business health care tax credit to help pay for employee insurance. The credit varies with employer size and average wage.
Employer coverage requirements and penalties under the Affordable Care Act

1. **Does your company have 50 or more employees?**
   - **YES**: Companies with 50 or more employees are required to offer insurance or risk a shared responsibility payment.
   - **NO**: You are not required to offer insurance but can.

2. **Will you offer insurance?**
   - **YES**: You incur no penalties.
   - **NO**: 
     - Did at least one of your employees receive a premium tax credit through the Marketplace?
       - **YES**: You do not have to make a shared responsibility payment.
       - **NO**: 
         - Did at least one of your employees receive a premium tax credit through the Marketplace?
           - **YES**: 
             - Does your insurance plan pay for at least 60% of covered health care expenses?
               - **YES**: You do not have to make a shared responsibility payment.
               - **NO**: You must make a shared responsibility payment for not offering coverage.
                 - The payment will be $2,000 per year × (number of employees − 30).
             - **NO**: You must make a shared responsibility payment for not offering adequate and/or affordable coverage.
               - The payment will be $3,000 per year per full-time employee who receives a premium tax credit up to a maximum penalty equal to $2,000 per year × (number of employees − 30).
         - **NO**: 
           - Do you have fewer than 25 employees with an average salary less than $50,000?
             - **YES**: Small business health care tax credits are available through the SHOP. Consult a tax adviser about the credits, including credits available for 2010-2013.
             - **NO**: You incur no penalties, but you do not qualify for small business health care tax credits through the SHOP.

3. **Do you offer insurance?**
   - **YES**: You do not have to make a shared responsibility payment.
   - **NO**: Does the employee-only premium cost less than 9.56% of what you pay each employee?
     - **YES**: You do not have to make a shared responsibility payment.
     - **NO**: Does your insurance plan pay for at least 60% of covered health care expenses?
       - **YES**: You do not have to make a shared responsibility payment.
       - **NO**: You must make a shared responsibility payment for not offering adequate and/or affordable coverage.
         - The payment will be $3,000 per year per full-time employee who receives a premium tax credit up to a maximum penalty equal to $2,000 per year × (number of employees − 30).