

Healthcare Reform: Impact on Small Employers

On Jan 19, 2013 The Indo-American Chamber of Commerce of Greater Houston hosted the first of its 2013 IACCGH Small Business Outreach programs with a seminar on "The Affordable Care Act: It's impact on individuals and Employers in 2013-2014". The event was followed by lunch at Madras Pavilio, Sugar Land. Sugar Land Council member Harish Jajoo welcomed the guests of behalf of the Mayor of Sugar Land and IACCGH Treasurer made the welcoming remarks on behalf of the Chamber.

The following information, provided by keynote speaker Ken Janda, President of Community Health Choice is a high-level overview of this very important topic. Due to the complexity of the law, it is not meant as specific legal or tax advice.

The Affordable Care Act (ACA, also known as ObamaCare) will begin impacting individuals and employers soon. Although the law was signed in 2010, and numerous parts of the law became effective in 2011-13, the biggest changes for individuals and employers hit in 2014. Here are some of the key areas of impact.

Individuals:

- The "individual mandate," the requirement that all Americans have health insurance, is effective January 1, 2014. This means that almost all Americans who are not covered by Medicare, Medicaid, a military health plan or employer-sponsored health insurance are required to either purchase an individual health insurance policy or pay a tax penalty.
- The good news is that starting in 2014, you can no longer be denied on individual health policy due to pre-existing medical conditions, and your premium rates cannot be raised due to a health condition.
- A new Health Insurance Exchange, an internet-based virtual marketplace, is being established for you to compare benefits, prices and provider networks. All health policies on the Exchange must meet minimum requirements for covered services, and will be designated as Bronze, Silver, Gold or Platinum level plans based on how much you must pay at the time of service (co-insurance levels).
- If you earn less than \$44,680 as an individual, or \$92,200 as a family of 4, you will be eligible for a tax subsidy to offset part of the cost of the insurance.

Employers:

- If you have more than 50 full-time equivalent employees, you must offer affordable, minimum health insurance coverage to at least 95% of your full-time employees or you may be subject to penalties of \$2,000-3,000 per employee (minus the first thirty employees). The exact rules are complex, so you should begin working with your insurance, legal and/or tax professionals to determine the best course for your company.
- If you have fewer than 50 full-time equivalent employees, you have no obligation to offer health insurance. If you do offer coverage, it must meet minimum benefit requirements. If you own multiple companies, each with fewer than 50 employees, you may be treated as a large employer and owe a penalty if you do not offer coverage.
- If you have fewer than 25 employees, you still have no obligation to offer health coverage, but you may be eligible for tax credits to offset much of the cost of providing coverage.

Individuals will be able to access information on the new Exchange in the fall of 2013. Employers should not wait, but begin now to develop a strategy for 2014.

IACCGH will be hosting its next outreach event on Saturday, February 2nd 2013 from 2:00PM to 5:00PM at India House(8888 West Belfort, Houston TX 77031) in partnership with GOPIO. This free seminar focused on " American Tax Laws as applicable to NRIs and overview of the 2013 changes" will be presented by a panel of CPAs and will be moderated by Ajjit Thakur CPA. You should attend the seminar if you have in India or anywhere outside the USA: Bank Accounts, Rental and Investment Property, Stocks, Bonds & Mutual Funds ,Inherited Property, Interest, Dividend, Capital Gain, Pension and other income. Seating will be limited. To register visit www.iaccgh.com. For information on joining the chamber contact jagdip@iaccgh.com