Small Business Owners

THE TOP FIVE THINGS YOU NEED TO KNOW ABOUT THE AFFORDABLE CARE ACT

The Affordable Care Act – the health care law – gives small businesses the security they need and important new benefits. Signed into law in March of 2010, the law will hold insurance companies accountable and make it easier for small businesses to provide health insurance.

Here are five ways the law helps you and your small business:

1. Insurance companies are held accountable. If insurance companies don't spend at least 80 percent of your premium dollar on medical care rather than advertising or bonuses for executives, they will have to provide you a rebate. The first rebates will be made in the summer of 2012.

2. Insurance companies will also be held accountable for large rate increases. Starting September 1, 2011, in every State and for the first time ever, insurance companies are required to publicly justify their actions if they want to raise rates by more than 10 percent.

3. You can offer insurance to employees for less. If you have fewer than 25 full-time equivalent employees, you may qualify for a small business tax credit of up to 35 percent of your premium costs (up to 25 percent for non-profits) to offset the cost of your insurance. Additional tax credits will be available in the future.

4. You are not required to provide insurance for your employees. Employers with fewer than 50 full time equivalent employees are exempt from all new employer responsibility policies.

5. More Insurance Choices. Under the law no American will have to worry about losing coverage if they lose or change their job. Starting in 2014, business with 100 or fewer employees will be able to find coverage in Affordable Insurance Exchanges. Exchanges will reduce the burden and costs of enrolling your employees, and give you many of the cost advantages and choices enjoyed by large businesses today. The Exchange will do the work for you of finding qualified health plans, getting information on their price and benefits, enrolling your employees, and consolidating billing. And you will have the same kinds of choices as Members of Congress.

Visit http://www.healthcare.gov/small-business for more information.