



HEALTH CARE FACTS

Small Businesses

Only 43% of small businesses in North Carolina offer any type of health insurance as a benefit. North Carolinians in rural areas working for small businesses are hit particularly hard. Of those who are uninsured and working full time, 65% work for small businesses. North Carolina's small businesses and self-employed entrepreneurs spent \$3.8 billion in healthcare premiums in 2008, and that number was estimated to rise to \$9 billion by 2018 without relief from comprehensive reform.

In March 2010, the Patient Protection and Affordable Care Act became law ([PL 111-148](#)). This law makes historic reforms to our health care system. For **SMALL BUSINESSES**, health care reform:

- ✓ **Provides a tax credit to help small businesses provide health insurance**
- ✓ **Allows small businesses to provide coverage through the Exchange**
- ✓ **Exempts small businesses from employer coverage mandates**

Provides a tax credit to help small businesses provide health insurance

Up to **120,235** North Carolina small businesses will be eligible for tax credits to help make health insurance coverage more affordable.

To qualify for the small business tax credit, a business must: 1) have fewer than 25 employees; 2) pay an average annual wage below \$50,000; and 3) pay at least 50% of an employee's health insurance premium.

Tax credits will be provided up to 35% of the employer's eligible premium expenses for tax years 2010-2013. Beginning in tax year 2014, employers can receive a tax credit for up to 50% of the cost of the premiums.

Check out the small business tax credit calculator at: <http://smallbusinessmajority.org/tax-credit-calculator/>

Allows small businesses to provide coverage through the Exchange

Small businesses with up to 100 employees will be able to participate in the Small Business Health Options Programs (SHOP) exchanges and pool together for coverage. Once operational in 2014, the SHOP exchanges will maximize small business bargaining power to negotiate better coverage, promote transparency and informed choice, and increase competition to lower rates.

Exempts small businesses from employer shared responsibility requirements

Small businesses with fewer than 50 full-time equivalent employees are exempt from the employer shared responsibility requirements. Full-time employees are defined as those who work more than 30 hours or more; while part-time employees are those who work less than 30 hours per week based on a monthly average.

For those businesses with more than 50 employees, the first 30 employees are not included in the shared responsibility assessment.