

How Much Is This Gonna Hurt?

What does Obamacare mean for your business? It depends—on the size of your work force, employee salaries, whether you provide benefits, and how much employees are required to contribute. This chart can help you find out whether the new regulations will lead to penalties, perks, or nothing at all.

Do you have 50 or more full-time-equivalent, or FTE, employees?

(For an explanation of this and other ACA jargon, see "An Obamacare Glossary," on page 78.)

YES

NO

Do you offer health coverage to employees?

You're off the hook. The Affordable Care Act does not require companies with fewer than 50 FTE employees to offer health insurance. However, you may be eligible to buy insurance on a state exchange.

YES

NO

Do you have fewer than 25 FTE workers?

Does your plan pay at least 60 percent of covered health costs?

Will any employee buy coverage on a state-based insurance exchange?

YES

NO

YES

NO

YES

NO

If the average wage of your employees is below \$50,000, you may qualify for a small-business tax credit of up to 50 percent of employer-paid premiums, for up to two years, if you buy insurance through a SHOP exchange.

Must any employee pay more than 9.5 percent of W2 income for single coverage?

Employees could qualify for a tax credit or subsidy to buy coverage on a state exchange. You will be on the hook for an annual penalty of up to \$3,000 per FTE worker receiving the credit or subsidy, or \$2,000 per total number of FTE workers, excluding the first 30, whichever is less.

Will any such employee qualify for a tax credit or federal cost-sharing subsidy?

(Generally, those who make up to 400 percent of the poverty level—\$44,680 for an individual in 2012—qualify.)

You do not qualify for federal credits or subsidies.

YES

NO

YES

NO

You will not be penalized for failing to offer health insurance.

Congratulations. You provide what the Feds consider affordable coverage and will not face any ACA-related penalties.

You must pay a penalty for not providing coverage. The penalty is up to \$2,000 a year per FTE employee, not counting the first 30 employees.