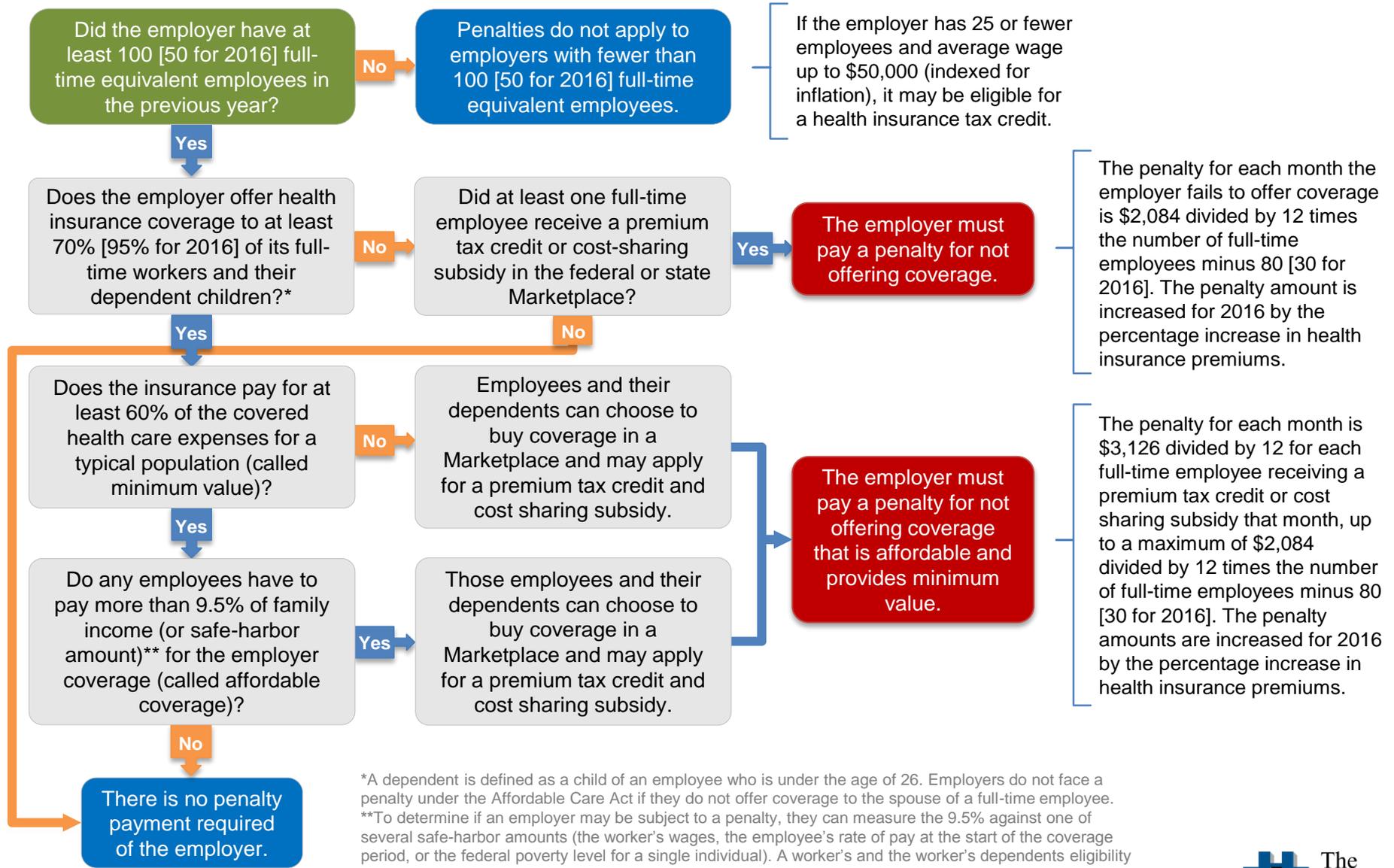


# PPACA Employer Penalties Beginning in 2015



If the employer has 25 or fewer employees and average wage up to \$50,000 (indexed for inflation), it may be eligible for a health insurance tax credit.

The penalty for each month the employer fails to offer coverage is \$2,084 divided by 12 times the number of full-time employees minus 80 [30 for 2016]. The penalty amount is increased for 2016 by the percentage increase in health insurance premiums.

The penalty for each month is \$3,126 divided by 12 for each full-time employee receiving a premium tax credit or cost sharing subsidy that month, up to a maximum of \$2,084 divided by 12 times the number of full-time employees minus 80 [30 for 2016]. The penalty amounts are increased for 2016 by the percentage increase in health insurance premiums.

\*A dependent is defined as a child of an employee who is under the age of 26. Employers do not face a penalty under the Affordable Care Act if they do not offer coverage to the spouse of a full-time employee.

\*\*To determine if an employer may be subject to a penalty, they can measure the 9.5% against one of several safe-harbor amounts (the worker's wages, the employee's rate of pay at the start of the coverage period, or the federal poverty level for a single individual). A worker's and the worker's dependents eligibility for premium tax credits or cost sharing subsidies are based on family income, not the safe-harbor amounts.