

# Covered California for Small Business



FOR **SMALL BUSINESS**

## AFFORDABLE HEALTH INSURANCE FOR SMALL BUSINESSES

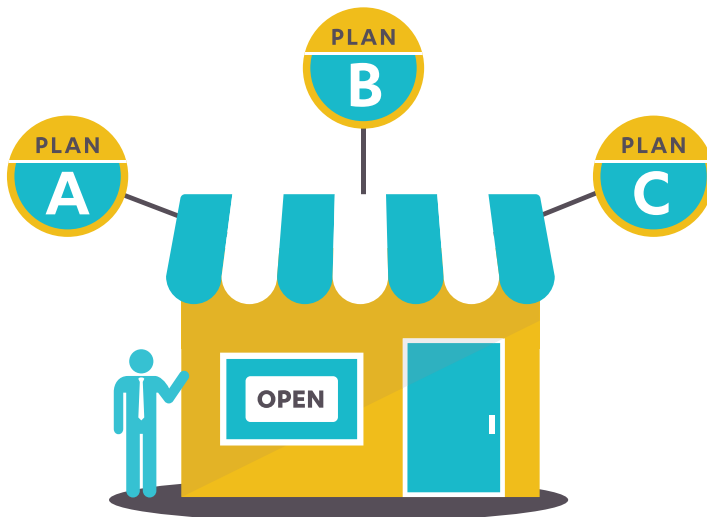
In 2010, the federal government approved a law — the Patient Protection and Affordable Care Act — to increase the number of Americans with health insurance and cut the cost of health care. The state of California developed Covered California, a marketplace where individuals and small businesses can buy quality, affordable health insurance.

Employers may find that offering health insurance allows them to attract and retain employees and help their workforce stay healthy, happy and productive. Covered California for Small Business is available to employers with 50 or fewer employees, and makes it easy to offer employees a choice of affordable health insurance plans. Starting on January 1, 2016, companies with 100 or fewer employees will be eligible to provide employees with health insurance from Covered California for Small Business. Enrollment in the small business program is available year-round.

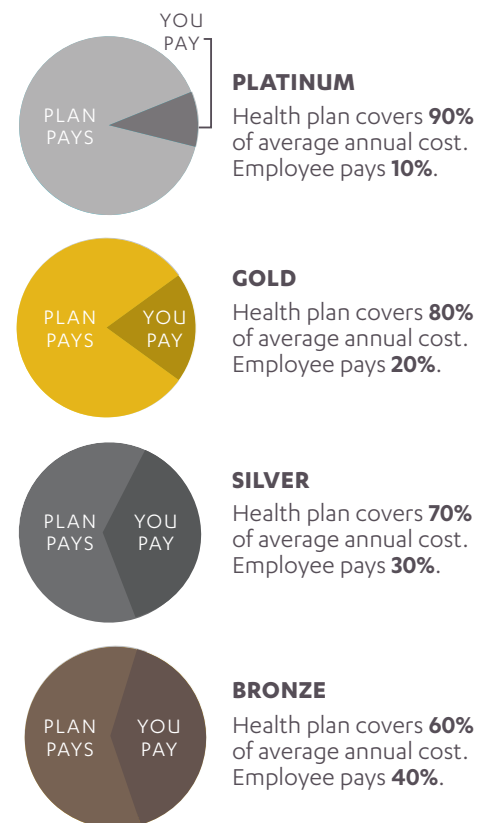
## COVERED CALIFORNIA OFFERS VARIETY AND QUALITY

Covered California offers small businesses a choice of competitively priced health and dental insurance plans from private insurance companies so both the employer and their employees can find a plan that fits their needs and budget.

Health insurance plans through Covered California offer standardized health benefits at four defined levels of coverage: Bronze, Silver, Gold and Platinum. Employers can choose one or two plan levels of coverage to offer employees and define the amount they will contribute towards employees' premium. Each employee may then choose a health plan from within the employer's defined level(s) of coverage. Defined coverage levels make it easy to compare health plans. Premiums and out-of-pocket costs are directly affiliated with the level of coverage selected.



### PERCENTAGE OF EXPENSES PAID BY HEALTH PLAN TIER



# FACT SHEET

## Covered California for Small Business



All health insurance plans available through Covered California cover the same Essential Health Benefits such as doctor visits, hospital care, emergency care, care for pregnant women and prescription drugs.

If an employer doesn't offer coverage for employees' dependents, coverage for them may be available through Covered California's Individual Marketplace.

### SMALL BUSINESS ELIGIBILITY THROUGH COVERED CALIFORNIA

- To offer coverage through Covered California, employers must have at least one but no more than 50 eligible employees and meet certain contribution and participation requirements.
- Sole-proprietors may be eligible to purchase coverage through Covered California's Individual Marketplace.
- Eligible employers may enroll through Covered California for Small Business throughout the year.
- Starting in 2016, eligibility guidelines for Covered California for Small Business will change to include employers with 100 or fewer eligible employees.

### EXAMPLE OF SMALL BUSINESS RECEIVING TAX CREDIT FOR HEALTH INSURANCE:

Beauty Shop with 10 Full-Time-Equivalent Employees

<b>Employees</b>	<b>10</b> full-time-equivalent employees
<b>Wages</b>	<b>\$250,000 total</b> , or an average of \$25,000 per employee
<b>Employer contribution to employees' health insurance cost</b>	<b>\$70,000</b>
<b>Tax Credit (Year 1)</b>	<b>\$35,000</b> (50%)
<b>Tax Credit (Year 2)</b>	<b>\$35,000</b> (50%)
<b>Tax Credit (Year 3)*</b>	<b>\$0</b> (0%)

\*Tax Credit only available for two consecutive years

### SMALL BUSINESS TAX CREDITS

Small businesses that buy health insurance through Covered California may qualify for federal tax credits to offset part of their costs. To qualify for the credits, employers must have fewer than 25 full-time equivalent employees, pay employees an average annual salary of less than \$50,000, and contribute at least 50 percent towards qualified employee premium costs.

Employers with fewer than 10 full-time equivalent employees with wages averaging less than \$25,000 per year will be eligible for the maximum tax credit amount. The maximum credit is 50 percent of premium expenses or 35 percent for tax-exempt organizations. Nonprofit or tax-exempt employers must meet the same criteria as detailed above.

The tax credits are available for a total of two consecutive years.



[CoveredCA.com/ForSmallBusiness](http://CoveredCA.com/ForSmallBusiness)  
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**FOR MORE INFORMATION, CONTACT COVERED CALIFORNIA OR A CERTIFIED INSURANCE AGENT:**



**FOR SMALL BUSINESS**