



FACT SHEET

Small Business Health Options Program (SHOP)

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.

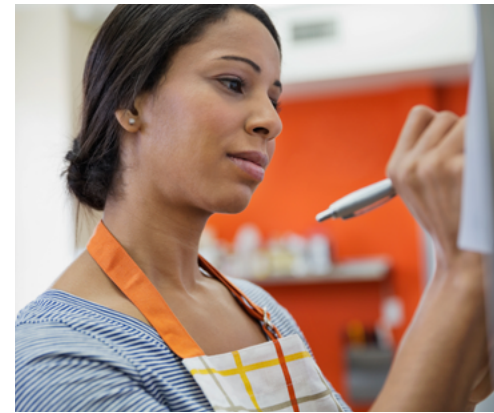
Employers may find that offering health insurance allows them to attract and retain employees and help their workforce stay healthy, happy and productive. Covered California's Small Business Health Options Program (SHOP) is available to employers with 50 or fewer employees, and makes it easy for them to offer their employees a choice of affordable health insurance plans. Enrollment in SHOP is available year-round.

Covered California Offers Variety and Quality

Covered California's SHOP offers small businesses a choice of competitively priced health 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. The new option to select two coverage levels, called "Dual Tier Choice," allows employers to select two adjoining metallic tiers — Bronze & Silver, Silver & Gold, or Gold & Platinum — instead of just one. 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.

Level of Coverage	Percentage of expenses paid by health plan	Percentage of expenses paid by individual
Platinum	90%	10%
Gold	80%	20%
Silver	70%	30%
Bronze	60%	40%





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. In 2014, 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.

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, infants and children; and prescription drugs.

Employees whose employer does not offer dependent coverage may be eligible to buy it through Covered California's Individual Marketplace.

Small Business Eligibility for SHOP

- To offer coverage through Covered California's SHOP, employers must have at least one but no more than 50 eligible employees and meet certain contribution and participation requirements. Coverage must be offered to all full-time employees (30 or more hours per week) and may also be offered to part-time employees at the employer's discretion.
- Eligible employers may enroll through Covered California's SHOP now or throughout the year.
- Starting in 2016, eligibility guidelines for Covered California's SHOP 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

Employees	10 full-time-equivalent employees
Wages	\$250,000 total, or an average of \$25,000 per employee
Employer Contribution to Employees' Health Insurance Cost	\$70,000
2014 Tax Credit	\$35,000 (50%)

FOR MORE INFORMATION AND TO ENROLL

visit CoveredCA.com/small-business call (877) 453-9198

