**Affordable Care Act:**
How does it affect my company?

**Small Employers**

**Health Insurance**
- Does your company offer health insurance? [YES / NO]

**Exchange**
- Consider using the Exchange for new employer insurance or send employees to the Exchange.

**Grandfathered**
- Does your plan pass the Essential Health Benefits (EHB) test below? [YES / NO]

**Deductibles**
- Are deductibles** limited to $2,000 for single coverage ($4,000 for family coverage)? [YES / NO]

**Out-of-Pocket**
- Are out-of-pocket expenses limited to $6,250 (est.) for single coverage ($12,500 for family coverage)? [YES / NO]

**Done**
- Your plan meets the ACA requirements.

**Essential Health Benefits (EHB) Test**
- Does your plan offer the following benefits?
  - Ambulatory patient services
  - Emergency services
  - Hospitalization
  - Maternity and newborn care
  - Mental health and substance use disorder services, including behavioral health treatment
  - Prescription drugs
  - Rehabilitative and habilitative services and devices
  - Laboratory services
  - Preventative and wellness services and chronic disease management
  - Pediatric services, including oral and vision care

If you answer **NO** to any of these, your plan needs design changes. If you answer **YES** to all of these, your plan meets the requirements.

**Design Changes**
- Talk to your plan advisor to make the changes necessary to comply.

**Contact us.**
- William G. Enck
  207.541.2300 | benck@berrydunn.com
- Roger Prince
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**Affordable Care Act:**
How does it affect my company?

Are you a LARGE or SMALL employer?

- In the prior year did you average 50 or more full-time equivalent employees (FTEs)? [YES / NO / Don’t know.
  Answer the questions below.]
  A. Calculate the number of full-time employees (130+hrs/mo) for each month in the preceding year.
  B. Calculate the number of full-time equivalent employees (FTEs) for each month in the preceding year.
    (1) Calculate the total number of hours worked in a month (may not exceed 120 hours for any one employee) by variable hours (i.e., part-time) employees.
    (2) Divide the total in (B)(1) by 120. This equals the number of FTEs for the month.
  C. Add the numbers calculated in steps (A) and (B) for each of the 12 months in the preceding year.
  D. Add the 12 monthly numbers in step (C) and divide the sum by 12. This will serve as your total number of FTEs.

Is the number of FTEs reported from (D) equal to 50 or greater?
- Yes. You are a LARGE employer.
- No. Do you employ any seasonal workers?
  - Yes. Would you have more than 50 FTEs if you include seasonal workers?
    - Yes. You are a LARGE employer.
    - No. You are a SMALL employer.
  - No. You are a SMALL employer.

Yes. Talk to your advisor. It may be possible to disregard seasonal employees.
Affordable Care Act: How does it affect my company?

Are you a LARGE or SMALL employer?

- Yes. You are a LARGE employer.
- No. You are a SMALL employer.
- Don't know. Answer the questions below.

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In the prior year did you average 50 or more full-time equivalent employees (FTEs)?

- Yes. You are a LARGE employer.
- No. You are a SMALL employer.
- Don’t know. Answer the questions below.

- Is the number of FTEs reported from (D) equal to 50 or greater?
- No. You are a SMALL employer.

Does your company offer health insurance?

- Yes. You are a LARGE employer.
- No. You are a SMALL employer.
- Don’t know. Answer the questions below.

Health Insurance

- Does your company offer health insurance?
  - Yes
  - No

Grandfathered

- Has your insurance been in effect and unchanged since ACA enactment on 3/23/10?*
  - Yes
  - No

Exchange

- Consider using the Exchange for new employer insurance or send employees to the Exchange.
  - Done

Did you offer health insurance?

- Yes
- No

Design Changes

- Talk to your plan advisor to make the changes necessary to comply.
  - Done

Does your plan pass the Essential Health Benefits (EHB) test below?

- Yes
- No

Out-of-Pocket

- Are out-of-pocket expenses limited to $6,250 (est.) for single coverage ($12,500 for family coverage)?
  - Yes
  - No

Deductibles

- Are deductibles** limited to $2,000 for single coverage ($4,000 for family coverage)?
  - Yes
  - No

Done

Your plan meets the ACA requirements.

Yes. You are a LARGE employer.

No. You are a SMALL employer.

Talk to your plan advisor to make the changes necessary to comply.

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- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventative and wellness services and chronic disease management
- Pediatric services, including oral and vision care

If you answer no to any of these, your plan needs design changes.

If you answer yes to all of these, your plan meets the requirements.

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Done

Grandfathered plans do not need to offer EHB. Talk to an advisor before making plan changes.

Done

Talk to your plan advisor to make the changes necessary to comply.

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Is the number of FTEs reported from (D) equal to 50 or greater?

- Yes. You are a LARGE employer.
- No. You are a SMALL employer.

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Is the number of FTEs reported from (D) equal to 50 or greater?

- Yes. You are a LARGE employer.
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**Large Employers**

<table>
<thead>
<tr>
<th>Test</th>
<th>Question</th>
<th>Yes/No</th>
<th>Penalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>95% Rule</td>
<td>Do you offer health insurance to at least 95% of your full-time employees (30 hrs/wk)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affordability Test</td>
<td>Does the amount any full-time employee pays for self-only health insurance exceed 9.5% of household income? See safe harbor methods below.</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Minimum Value Requirement</td>
<td>Does your health plan cover at least 60% of costs? See test below.</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

**$2,000 Penalty**

Per full-time employee in excess of 30 if any full-time employee goes to the Exchange and qualifies for a credit.

**$3,000 Penalty**

Per full-time employee who goes to the Exchange and qualifies for a credit.

**Affordability Test Safe Harbors**

To determine if your employee premiums for the lowest cost self-only coverage offered do not exceed 9.5% of household income, first use the following safe harbor methods:

- **W-2 Method**: Do your employee premium payments exceed 9.5% of wages reported on Form W-2, Box 1?
- **Rate of Pay Method**: Do your employee premium payments exceed 9.5% of hours worked times rate of pay?
- **Federal Poverty Line Method**: Do your employee premium payments exceed 9.5% of the Federal Poverty Line for an individual?

If you answered no to any of these, a safe harbor has been satisfied and you have passed the Affordability Test. If you answered yes to all of these, you may be subject to a penalty.

**Minimum Value Requirement Test**

Does your plan cover 60% of the costs using any one of the following?

- **Design-based Safe Harbor Plan Designs**: Proposed regulations have been issued outlining 3 safe harbor plan designs. Each safe harbor design includes all 10 Essential Health Benefits.

If you answered yes to any of these, your plan meets the Minimum Value requirement. If you answered no to all of these, you may be subject to a penalty.

Note: The large employer shared responsibility provisions and penalties have been delayed until January 1, 2015. See IRS Notice 2013-45.