

Obamacare is Here

The Play or Pay Mandate

by Greg Taylor, Leanne Seeger, and Mark Shipp • Hub International Insurance Services

On Jan 1, 2014 one of the most important pieces of legislation became effective with far reaching implications for both Individuals and Businesses. This legislation known as the Patient Protection and Affordable Care Act (PPACA) will extend to over 35 million additional Americans the opportunity to buy greatly expanded insurance coverage regardless of their current health conditions.

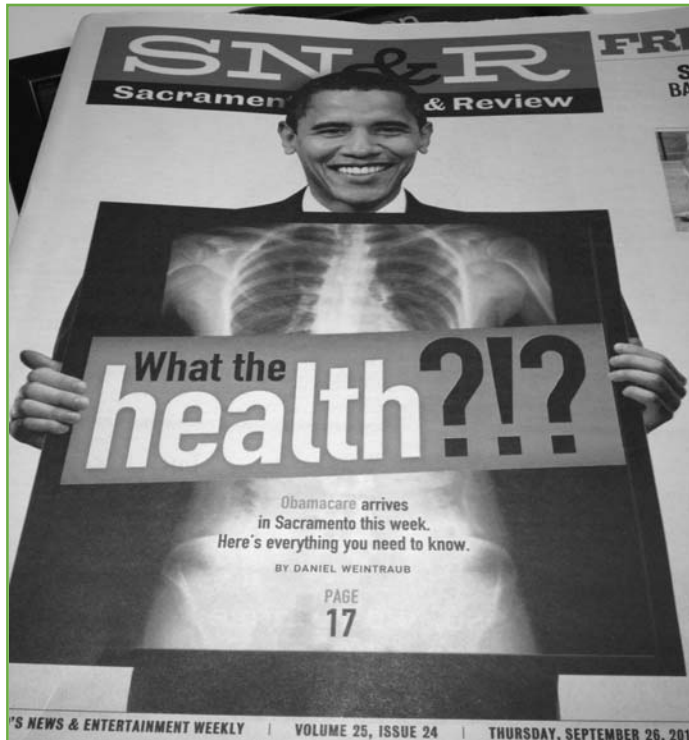
This will primarily be accomplished by using new State run marketplace exchanges with catch names such as “Covered California” or “Cover Oregon” as well as Private marketplace exchanges such the HUB International’s “Bright Choices” program.

Insurers would be barred from rejecting applicants based on their health status, known commonly as “Pre Existing conditions” and can no longer increase their premiums based on their individual medical claims. All carriers will also be required to cover many preventive care services in full as well as expanded benefits for pediatric dental care, oral contraceptives, Mental Health and Substance Abuse disorders.

The cost of the insurance will be at market prices, or for those who qualify, possibly reduced by government subsidies. In order to take advantage of a government subsidy you must purchase your insurance through a Federal or State exchange. Subsidies are based on Modified Adjusted Gross Income.

So what’s the Catch?

If an individual does not buy insurance, penalties for 2014 start at \$95 or up to 1 percent of income, whichever is greater, and rise to \$695, or 2.5 percent of income, by 2016. Families would eventually have a maximum penalty limit of \$2,085. Some people would be exempted from the insurance requirement, called the Individual mandate, because of financial hardship or religious beliefs or if they are American Indians.



What about employers?

If you have over 50 full time “equivalent” employees you have some reprieve.....the President delayed the \$2000.00 to \$3000.00 per employee per year penalty for those employers that don’t offer health insurance to their employees until 2015. However they will need to comply with other parts of the law including expanded coverages, maximum contributions by employees, and a host of administrative reporting requirements.

What if I have fewer than 50 full time employees?

Better check your math! Using a government mandated basis of 30 hours a week as a full time definition, employers with under the equivalent of 50 Full Time employees (aka 50 FTEs) are not required to offer health insurance to their employees. However you must count all hours worked by both Full and Part time employees to see if you fall under the law. For example if you have 50 part time employees working 15 hours a week and 30 full time working 30 or more hours a week, the 50 part time would equal 25 full time, pushing you to over the 50 employee threshold.

Employers under 50 FTEs will have the opportunity to purchase insurance through the “SHOP” version of the various Exchanges plus if they have less than 25 employees, with average incomes under 50,000 yr., they may receive a tax credit of up to 50% of the premium portion paid by the employer.

Notification of Exchanges to your Employees.

All employers are required to notify employees of the exchanges whether you offer insurance or not. There are model notices available on the Department of Labor website (<http://www.dol.gov/ebsa/pdf/FLSAwithplans.pdf>). These notices must be mailed to each one of your employees to avoid a penalty.

Other things to consider as an employer for 2014?

Waiting periods for new hires cannot exceed 90 days (60 days in CA). Therefore all new hires must have a waiting period of no more than 1st of the month following 60 days (30 days in CA).

Employees cannot be charged more than 9.5% of household income for their contributions toward an employer medical plan.

Due to expanded Healthcare Reform medical initiatives such as the Patient-Centered Outcomes Research Trust Fund fee aka PCORI, additional taxes and fees of approximately 4% will be added to all premiums.

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INDUSTRY CALENDAR

- » **WCISA - Chipper Safety & Maintenance**
2/7/2014 Sacramento, CA
- » **ArborCon-Michigan ISA Conference**
2/11/2014 Lansing, MI
- » **ACTE - Chainsaw Safety & Cutting Techniques**
2/11/2014 Cambridge, Ontario, Canada
- » **Southern Chapter TCC**
2/14/2014 Conway, SC
- » **Diagnosis and Identification of Plant Disorders**
2/14/2014 Philadelphia, PA
- » **Tree Planting and Installation**
2/18/2014 New Brunswick NJ
- » **Protecting and Preserving Trees during Construction**
2/18/2014 Philadelphia, PA
- » **Tree Pruning**
2/19/2014 New Brunswick, NJ
- » **Plant Health Care**
2/20/2014 New Brunswick, NJ
- » **Municipal Shade Tree Management**
2/21/2014 New Brunswick, NJ
- » **Contemporary Tree Appraisal**
2/21/2014 Philadelphia, PA
- » **Ohio Tree Care Conference**
2/23/2014 Sandusky, OH
- » **Municipal Forestry Institute**
2/23/2014 Nebraska City, NB
- » **WCISA - Pines, Pines, Pines**
2/27/2014 Arcadia, CA
- » **Hazardous Tree Identification**
2/27/2014 New Brunswick, NJ
- » **Women's Arboriculture Conference**
3/5/2014 Harrison Hot Springs, British Columbia, Canada
- » **WCISA - Urban Forest Pests: New & Old Enemies**
3/6/2014 Santa Rosa, CA
- » **Urban Tree Management Conference**
3/8/2014 Kowloon, Hong Kong, China
- » **Successful Strategies for Preserving Tree Canopy in our Communities**
3/11/2014 Haverford, PA
- » **Introductory Tree Climbing**
3/12/2014 Philadelphia, PA
- » **Mobile Crane Operator Training and Certification**
3/17/2014 Philadelphia, PA
- » **52nd Annual Minnesota Shade Tree Short Course**
3/18/2014 St. Paul, MN
- » **Pruning Shrubs for Maximum Health and Beauty: A Hands-on Class**
3/21/2014 Philadelphia, PA