

**Q1: What is the Small Business HealthCare Options Program (SHOP) Marketplace?**

SHOP is a new program that simplifies the process of buying health insurance for your small business.

**Q2: What are the advantages of using the SHOP Marketplace?**

The advantages of using the SHOP Marketplace are:

- ✓ Controlling the coverage offered and how much is paid toward employee premiums;
- ✓ Comparing health plans online, which helps you make a decision that's right for your business; and
- ✓ Qualifying for a small business health care tax credit worth up to 50% of your premium costs. You can still deduct from your taxes the rest of your premium costs not covered by the tax credit.

**Q3: What does a small business need to know about the SHOP Marketplace?**

Health coverage through the SHOP will start in early 2014. Plans in the SHOP Marketplace cannot turn you down based on the health status of your employees or their dependents, even if they have pre-existing conditions and cannot charge you higher premiums for women, or increase your group's premium for employees with high medical costs.

**Q4: Does an Employer have to offer SHOP coverage to all employees?**

If an employer uses the SHOP, the employer must offer coverage to all full-time employees—generally those working an average of 30 or more hours per week.

**Note:** If you are self-employed with no employees, you may get coverage through the individual market Health Insurance Marketplace, but not through SHOP.

**Q5: How does an employer qualify for the small business health care tax credits?**

To qualify for the Small Business Health Care Tax Credit, the employer must pay at least 50% (35% for tax-exempt employers) of full-time employees' premium costs. The employer does not need to offer coverage to part-time employees or to dependents. The tax credit is highest for companies with fewer than 10 employees who are paid an average of \$25,000 or less.

**Note:** The credit is available only if you get coverage through the SHOP Marketplace.

**Q6: Can the tax credit carry over to the next year?**

Even if you are a small business employer who did not owe taxes during the year, you can carry the credit back or forward to other tax years. Also, since the amount of the health insurance premium payments is more than the total credit, eligible small businesses can still claim a business expense deduction for the premiums in excess of the credit. That's both a credit and a deduction for employee premium payments.

**Q7: Can you provide an example of how the tax credit works?**

Example for an employer who qualifies for the maximum credit worth 50% of their premium contribution in 2014:

- ✓ Number of employees: 10
- ✓ Wages: \$250,000 total or \$25,000 per employee
- ✓ Employer contribution to employee premiums: \$70,000
- ✓ Tax credit amount: \$35,000 (50% of employer's contribution)

**Q8: What categories of plans are available in the SHOP Marketplace and how do they differ?**

There are 4 categories of plans in the SHOP Marketplace. They offer similar benefits, but differ based on how enrollees and the plan share the costs of care.

The four plans are as followed:

- ✓ Bronze;
- ✓ Silver;
- ✓ Gold; and
- ✓ Platinum.

The categories describe the way your employees and the plan can expect to share costs for health care. The category has nothing to do with the quality of care a plan provides and all plans offered through the SHOP must provide a set of essential health benefits.

**Q9: Which type of benefits must qualified health plans offer through the SHOP Marketplace?**

Qualified Health Plans offered through the SHOP must offer the following benefits:

- ✓ Ambulatory Services;
- ✓ Hospitalization;
- ✓ Prescription Drugs;
- ✓ Rehabilitative Services;
- ✓ Maternity and newborn care;
- ✓ Preventive/Wellness/Chronic disease Management;
- ✓ Emergency Services;
- ✓ Mental Health;
- ✓ Laboratory Services; and
- ✓ Pediatric Services.

The qualified health plans must also be licensed and in good standing, offer adequate selection of doctors and hospitals and protect employees against catastrophic costs.

**Q10: How can a licensed Agent help?**

A licensed Agent can assist with:

- ✓ Applying for insurance for your employees;
- ✓ Reviewing and comparing price, coverage, quality, and other important features; and
- ✓ Choosing a plan that works for your budget, business, and employees.

**Note:** You pay the same, with or without an Agent and they are not required.