



Federal Health Reform Client Penalty Analysis

Your Current Health Plan Monthly Costs:

	EMPLOYER	EMPLOYEE	EMPLOYER %	TOTAL
SINGLE	\$500.00	\$300.00	63%	\$800.00
SINGLE + ONE	\$800.00	\$400.00	67%	\$1,200.00
FAMILY	\$850.00	\$475.00	64%	\$1,325.00

Number of Full Time Employees:	50
Number of Employees Counting Full Time Employee Equivalents:	50
Average Annual Salary Excluding Owners:	\$50,000

Your number of Full Time Employees including Full Time Equivalents is 50 or more, therefore you are subject to potential penalties if certain criteria are not met. See analysis below for analysis of likelihood of penalties in your specific situation.

Employee Opt Out Voucher Program (2014 Effective Date)

Based on your current contributions, the following are the ranges of Household Income that can result in requirement of voucher being offered to employee. Eligibility is assessed on a monthly basis. Household income must also be under 400% of Federal Poverty Level (FPL) for employee to be eligible for voucher.

	MONTHLY HOUSEHOLD INCOME BETWEEN		ANNUAL HOUSEHOLD INCOME BETWEEN	
SINGLE	\$3,061.22	\$3,750.00	\$36,734.69	\$45,000.00
SINGLE + ONE	\$4,081.63	\$5,000.00	\$48,979.59	\$60,000.00
FAMILY	\$4,846.94	\$5,937.50	\$58,163.27	\$71,250.00

Employer Mandate Penalties (2014 Effective Date)

Scenario One: If you do not provide health coverage to your full time employees and at least one individual receives subsidized coverage your annual penalty owed to the Federal government will be -\$60,000.

Scenario Two: If you provide qualified health coverage to full-time employees, AND one or more employees receives subsidized coverage from the state Exchange, your penalty for each employee receiving subsidized coverage will be \$3,000 (or \$2,000 per full time employee if less)

Possible penalties based on providing coverage and still having individuals eligible for and receiving subsidized coverage:

# of Employees Receiving Subsidy	2	5	13	25
% of Workforce Receiving Subsidy	5%	10%	25%	50%
Annual Penalty Amount	\$6,000	\$15,000	\$39,000	\$40,000

Cadillac Tax Impact (2018 Effective Date)

Assuming an annual, non compounding trend of 12% a year increases to your medical costs, the following rates would be in place in 2018.

	EMPLOYER	EMPLOYEE	TOTAL	ANNUAL
SINGLE	\$920.00	\$552.00	\$1,472.00	\$17,664.00
SINGLE + ONE	\$1,472.00	\$736.00	\$2,208.00	\$26,496.00
FAMILY	\$1,564.00	\$874.00	\$2,438.00	\$29,256.00

Per the current regulations, plans with premiums in excess of \$10,200 individual and \$27,500 family are considered Cadillac Plans and subject to a 40% excise tax on the excess amounts above those levels.

Based on the above projected premiums, the annual amount of tax per enrollee that would be paid on your program is:

	Annual Excise Tax Amount	
SINGLE	\$	2,985.60
SINGLE + ONE	\$	-
FAMILY	\$	702.40

This amount will be paid to the government by the insurer (insured plans) or the employer (self funded).

This illustration represents WGA's current understanding of the PPACA regulations and should not be considered exhaustive. It is intended to provide a brief synopsis of potential penalties under the recently enacted Federal health reform legislation. Should you have any questions, please contact healthreform@wgains.com.

