



Take Part.

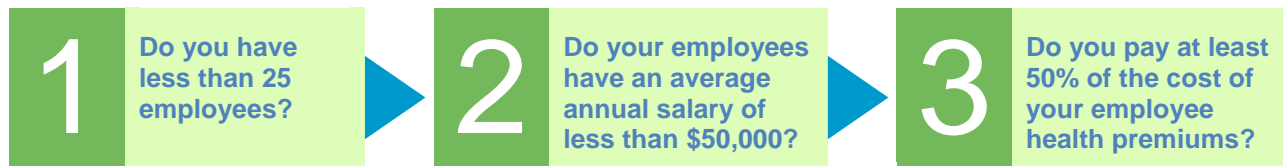
Understand the new world of health care.

Save up to 35% on premium costs!

New tax credit can help you continue to offer valuable health coverage to your employees

Good news! You may be one of the many small businesses that now qualify for a special tax credit because you provide employee health insurance. The tax credit is a great incentive to help you start or continue to offer and pay for coverage.

See if you qualify. Tax credits of up to 35% of the cost of premiums are available this year and will reach up to 50% in 2014. Start by answering these three simple questions:



If you answered “yes” to all three questions, you might qualify for a tax credit of up to a 35% of your 2010 premium contributions.

How does it work?

Let's look at the Clark Family Fish Market example.	
Number of full-time employees	10
Average annual wage	\$22,000 per worker
Average employee-only insurance premium	\$430 (\$5,160 annually)
Employer cost for health care insurance at 50% premium contribution	\$25,800 (\$2,580 per employee)
2010 tax credit for premium contributions	\$9,030 (35% of \$25,800)

How much can you save? By taking advantage of our wide range of affordable, flexible health benefit plans¹ and this tax credit, you can help keep your employees happy and healthy while you save money. We're here to help. Contact us for more information on how you can improve your bottom line in 2010.

Visit us online at www.TakePartFlorida.com for the latest information on Health Care Reform. Click on 'Employers' to find our **Small Business Tax Credit Webinar** and a handy **tax credit calculator**.

¹These products have exclusions and limitations. The level of benefits provided depends on the plan selected, and the premium will vary with the level of benefits. This information is being provided in an effort to alert you to some of the benefit changes required as a result of the Patient Protection And Affordable Care Act (PPACA), otherwise known as Health Care Reform (HCR). Please note that plan benefits are subject to change and may be revised based on guidance and regulations issued by the Secretary of Health and Human Services (HHS). This document does not attempt to cover all of the law's provisions and should not be used as legal advice for implementation activities. We encourage clients to seek professional advice, including legal counsel, regarding how the new requirements may affect their specific plan. 69560-0910R

Answers to frequently asked questions

Can premiums paid by the employer in 2010, but before the new health reform legislation was enacted, be counted in calculating the credit? Yes. In computing the credit for a tax year beginning in 2010, employers may count all eligible premiums.

Can an employer with 25 or more employees qualify for the credit if some of its employees are part-time? Yes. Because the limitation on the number of employees is based on full-time equivalent employees (FTE), an employer with 25 or more employees could qualify for the credit if some of its employees work part-time. For example, an employer with 46 half-time employees has 23 FTEs and therefore may qualify for the credit.

Are seasonal workers counted in determining the number of FTEs and the amount of average annual wages? Generally, no. Seasonal workers are disregarded in determining FTEs and average annual wages unless the seasonal worker works for the employer on more than 120 days during the tax year.

If an owner of a business also provides services to it, does the owner count as an employee? Generally, no. A sole proprietor, a partner in a partnership, a shareholder owning more than two percent of an S corporation, and any owner of more than five percent of other businesses are not considered employees for purposes of the credit. Thus, the wages or hours of these business owners and partners are not counted in determining either the number of FTEs or the amount of average annual wages, and premiums paid on their behalf are not counted in determining the amount of the credit.

Do family members of a business owner who work for the business count as employees? Generally, no. A family member of any of the business owners or partners, or a member of such a business owner's or partner's household, is not considered an employee for purposes of the credit. Thus, neither their wages nor their hours are counted in determining the number of FTEs or the amount of average annual wages, and premiums paid on their behalf are not counted in determining the amount of the credit. For this purpose, a family member is defined as a child (or descendant of a child); a sibling or step-sibling; a parent (or ancestor of a parent); a step-parent; a niece or nephew; an aunt or uncle; or a son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law or sister-in-law.

How does an employer claim the credit? The credit is claimed on the employer's annual income tax return. For a tax-exempt employer, the IRS will provide further information on how to claim the credit.

Source: IRS.gov
