

What The Health Care Bill Means For Boatyards And Repairers

On March 21, the House of Representatives passed two major health care reform bills. The first bill approved in the House by a vote of 219 to 212 had already passed the Senate and was signed into law by the president on March 23. The second bill, called the reconciliation bill, contained revisions to the first bill and must now go to the Senate for debate and a vote.

Throughout the debate, how small businesses would be affected, would they be required to cover employees and at what cost, has been in the forefront of our members' minds. While the legal process is long from being over, there are some aspects of the new law that boatyards can start planning for now.

- From 2010 through 2013, a tax credit becomes available for 35% of the company's health care cost. This is only available to businesses with 25 or fewer employees with annual wages of less than \$50,000.
- In 2014, companies with more than 50 employees that don't offer health insurance will pay a penalty starting at \$750 a year per full-time worker. A proposal approved by the House, but still needing Senate approval would raise that penalty to \$2000. Employers with less than 50 employees would be exempt from these penalties.
- Companies with more than 200 employees would be required to enroll all workers automatically into health insurance plans offered by the employer. Employees would be eligible to opt out of these plans and choose other coverage.
- Also beginning in 2014, state-based exchanges (Small Business Health Options Program) will be created where individuals and small businesses can pool together to purchase health coverage. States can consider small businesses as those employing less than 50 people or those employing less than 100. Companies that grow beyond that size will be grandfathered.
- Eligible small businesses that purchase coverage through new state exchanges can receive a tax credit for their contribution toward the employees' health insurance premium.

This is the bulk of what will affect small businesses. There are a host of other changes proposed that will affect individuals and families, your workers, which should also be followed so you know how your decisions will further touch your employees. For instance Medicare taxes on wages will rise from 1.45% to 2.35%. A new 3.5% tax on unearned income (dividends and interest) will be coming. Children can no longer be denied coverage

for pre-existing conditions and can stay covered under their parents insurance until they are 26 years old.

ABBRA will keep you informed as Health Care Reform gets tossed around the Capitol and final decisions and laws are made.