

NONPROFIT ACA CHEAT SHEET

IS YOUR NONPROFIT READY FOR THE NEW AFFORDABLE CARE ACT HEALTH INSURANCE REQUIREMENTS?

Whether your organization is small or large, you'll be impacted by new ACA requirements in the year ahead. This Cheat Sheet will help you get your facts straight and put an ACA preparation plan into action.

YOUR ACA PREP CHECKLIST

- Determine your requirements based on the size of your organization
- Decide whether you want to offer health insurance to your employees
- Determine your timeline for obtaining health insurance and offering it to your employees
- Find out if you qualify for the Small Business Healthcare Tax Credit
- Find a plan that fits your needs
- Communicate coverage options to your employees and fulfill reporting requirements

STEP ONE:

Determine your requirements based on the size of your organization.

ACA requirements vary by both organization size and by state.

Here are the basics.

IF YOUR ORGANIZATION HAS 50 OR MORE EMPLOYEES:

- Your organization is considered a "large business" under the ACA.
- You are subject to the Employer Shared Responsibility Payment if you do not provide a minimum level of insurance coverage for your full-time employees.
- In most states, large businesses are not currently able to use the SHOP Marketplace to offer health insurance to their employees, but in 2016, most SHOPS will be open to employers with up to 100 full-time employees.
- Learn more about your requirements and the Employer Shared Responsibility Payment on healthcare.gov.

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STEP ONE (CONTINUED)

IF YOUR ORGANIZATION HAS BETWEEN 26 AND 49 EMPLOYEES:

- The ACA classifies you as a small business, so you can either purchase insurance through SHOP or through a private insurance broker as you would have in the past.
- You will not be penalized if you choose not to provide insurance for your employees.
- You can sign up through SHOP and begin offering coverage any time during the year.
- Learn more about your requirements and find out how to enroll in SHOP on healthcare.gov.



IF YOUR ORGANIZATION HAS 25 OR FEWER EMPLOYEES:

- Organizations with 25 or fewer employees are treated much like those with 26-49 employees under the ACA.
- The most important difference is that if all your employees make an average of about \$50,000 a year or less, you may qualify for a small business health care tax credit.
- This credit covers a percentage of your contribution toward employee premium costs, so it makes providing insurance more affordable.
- You are only eligible for the tax credit if you purchase your insurance through the SHOP marketplace.
- Learn more about your requirements and the tax credit on healthcare.gov.

STEP TWO:

Decide Whether You Want to Offer Health Insurance to Your Employees

Now that you understand your options, it's time to make an important decision. Will you offer employee health insurance, or won't you?

Whatever you decide, it's important to communicate your health insurance offering to employees. Some employers are actually required to notify their employees in a specific manner under the ACA. Learn more about what to tell your employees about the marketplace, and obtain model notifications on healthcare.gov.

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STEP THREE:

Determine your Timeline for Obtaining Insurance and Offering it to Your Employees

If your organization has fewer than 50 employees, your timeline for obtaining insurance offering it to your employees is totally up to you. In some states, you can enroll in SHOP at any time. If you're choosing to go through an independent insurance provider rather than SHOP, your timeline will be dependent on their requirements.

If your organization has more than 50 employees, you will want to obtain and offer insurance that provides for at least the minimum standard of care. The timing for meeting this requirement depends on whether your organization employs 50 to 100 or 100+ employees.

To put a timeline in place that makes sense for your organization, make sure you understand your insurance broker's deadlines, or the deadlines of the SHOP in your state, and work backward.



STEP FOUR:

Find out if You Qualify for the Small Business Tax Credit

Before you begin shopping for insurance, you'll want to figure out what you can realistically afford. An important part of that process is understanding whether you qualify for the Small Business Tax Credit, which is available to employers with fewer than 25 employees making an average of \$50,000 or less per year.

Use the [SHOP Tax Credit Estimator](#) to find what kind of credit you're eligible for (if any) and how much you'll save.

DID YOU KNOW...

An estimated 9.3 million previously uninsured American adults gained health insurance coverage from September 2013 to mid-March 2014.

Source: [rand.org](#)

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STEP FIVE:

Find a Plan that Fits Your Needs

If you're planning to purchase a policy through SHOP, you can begin browsing available plans and get price estimates online today. Just visit [healthcare.gov's premium estimate page](http://healthcare.gov's-premium-estimate-page) and select your state. You can also shop for insurance through an independent broker just as you would have in the past.

You'll notice that plans are divided into four categories: bronze, silver, gold and platinum. The categories describe the way healthcare costs are shared, not the quality of care a plan provides. As with any insurance, you'll want to balance the cost of your premium with applicable out-of-pocket costs.

If you have more than 50 employees or prefer not to purchase insurance through SHOP, you should contact individual insurance providers to explore policies that meet your needs. In some cases, you may find a better deal through an insurance broker than through SHOP. Note, however, that if you'd like to take advantage of the Small Business Tax Credit, you can only do so through SHOP.



Communicate Coverage Options to Your Employees and Fulfill Reporting Requirements

The best time to tell your employees about changes to insurance options is a few months before changes go into effect, so that they have time to make necessary adjustments.

Guidelines for communicating coverage options and model notifications can be found on healthcare.gov. There are also several reporting requirements that may apply for your organization, such as:

- **New W-2 Reporting:** Nonprofits with 250 or more W-2 Employees must report the aggregate cost of employer-sponsored health coverage on employees' W-2 Forms.
- **PCORI/CER Plan Fees:** Businesses with Healthcare Reimbursement Plans or other self-funded plans are required to pay a Patient-Centered Outcomes Research Institute (PCORI) fee each year on July 31st.
- **High-Earner Medicare Payroll Taxes:** Employees earning more than \$200,000 a year must pay higher Medicare hospital insurance (HI) taxes beginning in 2013. As your payroll provider to make sure they are accounting for this tax.

STEP SIX:

Change can be difficult, but armed with this cheat sheet, you're ready to take action to get your nonprofit ready for new health insurance requirements resulting from the ACA.

If you need more help, don't hesitate to contact us at info@nonprofithr.com or (202) 785-2060. We've helped nonprofits like yours enroll in the exchanges and can help make the process painless for your organization.