Ball State Business Roundtable

Sponsored by:

Katherine Onieal INVESTMENT SERVICES, LLC
RAYMOND JAMES
Welcome

Richard Gill
Roundtable Chair
Co-owner, Gill Brothers Furniture
BSU Business Roundtable

Richard Gill

Gill Bros. Furniture
The Affordable Care Act

• What Does a Small Business Do?
  – Renew December 1st, 2013
  – Drop Health Care Coverage
  – Go to The Health Care Exchange
Health Insurance Renewal 2014

- Plan Not Grandfathered – Why?
  - Changed Deductible in 2011
  - Enrolled New Employees since 2010
- Premium Increase 16% for 12/1 Renewal
- Premium Increase 25% for 1/1 Renewal
- Options are Bad and Worse
- $100,000 cost increase from 2011-2014
Example #1 – Actual Employee

The Subsidy Calculator

Subsidy Calculator
Premium Assistance for Coverage in Exchanges

ABOUT THIS TOOL

Enter Information About Your Household

1. Select a State
   - Indiana
2. Enter income as
   - 2014 Dollars
3. Enter annual income (dollars)
   - 27000
4. Is employer coverage available?
   - No
5. Number of people in family
   - 4
6. Number of adults (21 and older) enrolling in exchange coverage
   - 2 Adults
7. Number of children (20 and younger) enrolling in exchange coverage
   - 2 Children

How many Children use Tobacco?
   - 0

Submit
Because your income is equal to 115% of the poverty level, you may be eligible for tax credits in the exchanges. Tax credits are only available to people with incomes between 100% and 400% of the poverty level. The information below is about **subsidized** exchange coverage:

<table>
<thead>
<tr>
<th>Household income in 2014:</th>
<th>115% of poverty level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum % of income you have to pay for the premium, if eligible for a subsidy:</td>
<td>2% (before accounting for a tobacco surcharge, if applicable)</td>
</tr>
</tbody>
</table>
| Health Insurance premium in 2014 (for a silver plan, before tax credit): | $10,685 per year  
In most states, insurers can charge a tobacco surcharge of up to 50% of your total premium before the tax credit. The tax credit cannot be applied to the tobacco surcharge. |
| You could receive a government tax credit subsidy of up to: | $10,145 per year  
(which covers 95% of the overall premium) |
| Amount you pay for the premium: | $540 per year  
(which equals 2% of your household income and covers 5% of the overall premium) |
Example #2 – Actual Employee

The Subsidy Calculator

### Enter Information About Your Household

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<tbody>
<tr>
<td>1. Select a State</td>
<td>Indiana</td>
<td>2 Adults</td>
<td>Age? 62</td>
<td>Uses Tobacco? No</td>
<td>Age? 60</td>
<td>Uses Tobacco? No</td>
</tr>
<tr>
<td>Enter your zip code</td>
<td>47304</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Enter income as</td>
<td>2014 Dollars</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Enter annual income (dollars)</td>
<td>83000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Is employer coverage available?</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Number of people in family</td>
<td>3</td>
<td></td>
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</tbody>
</table>

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<tr>
<td>7. Number of children (20 and younger) enrolling in exchange coverage</td>
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<td></td>
</tr>
<tr>
<td>How many Children use Tobacco?</td>
<td>0</td>
<td></td>
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</tbody>
</table>
Kaiser Foundation Calculator
Example #1 - Higher income older employee

RESULTS
Because your income is more than 400% of the poverty level, you would not qualify for subsidized exchange coverage. The information below is about unsubsidized exchange coverage.

<table>
<thead>
<tr>
<th>Household income in 2014:</th>
<th>425% of poverty level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum % of income you have to pay for the premium, if eligible for a subsidy:</td>
<td>None</td>
</tr>
<tr>
<td>Health Insurance premium in 2014 (for a silver plan, before tax credit):</td>
<td>$19,664 per year</td>
</tr>
<tr>
<td>You could receive a government tax credit subsidy of up to:</td>
<td>$0 per year (which covers 0% of the overall premium)</td>
</tr>
<tr>
<td>Amount you pay for the premium:</td>
<td>$19,664 per year (which equals 23.69% of your household income and covers 100% of the overall premium)</td>
</tr>
</tbody>
</table>
Decisions?

• Benefit the younger employees by dropping health coverage?

• If we do will they actually go to Healthcare.gov, enroll & pay their premiums?

• Benefit the older employees by keeping the health coverage?

• Limit the benefit we offer to stem the exploding cost to the company?
U.S. Economic Outlook

Michael Hicks, PhD

Director, Center for Business and Economic Research

Ball State University
# The Short-term National Outlook

## US Economy in 2014

<table>
<thead>
<tr>
<th></th>
<th>2013 Avg. (%)</th>
<th>Time Series Forecast 2014 (%)</th>
<th>2014 Avg. (%)</th>
<th>Blue Chip</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Real GDP Growth</strong></td>
<td>2.8</td>
<td>Q1 1.2</td>
<td>Q2 2.0</td>
<td>Q3 3.1</td>
</tr>
<tr>
<td><strong>Inflation Rate</strong></td>
<td>1.4</td>
<td>Q1 1.7</td>
<td>Q2 1.5</td>
<td>Q3 1.9</td>
</tr>
<tr>
<td><strong>Unemployment Rate</strong></td>
<td>7.5</td>
<td>Q1 7.9</td>
<td>Q2 8.0</td>
<td>Q3 8.1</td>
</tr>
<tr>
<td><strong>10-year Treasury Bond</strong></td>
<td>2.2</td>
<td>Q1 2.6</td>
<td>Q2 2.6</td>
<td>Q3 2.6</td>
</tr>
</tbody>
</table>
Thank you