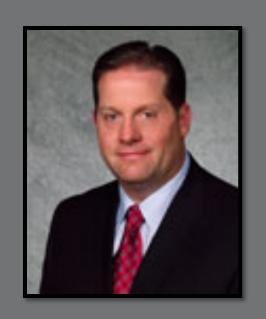
# Ball State Business Roundtable

Sponsored by:





## Welcome Richard Gill Roundtable Chair Co-owner, Gill Brothers Furniture



### **BSU Business Roundtable**

Richard Gill



## The Affordable Care Act

What Does a Small Business Do?

-Renew December 1st, 2013

Drop Health Care Coverage

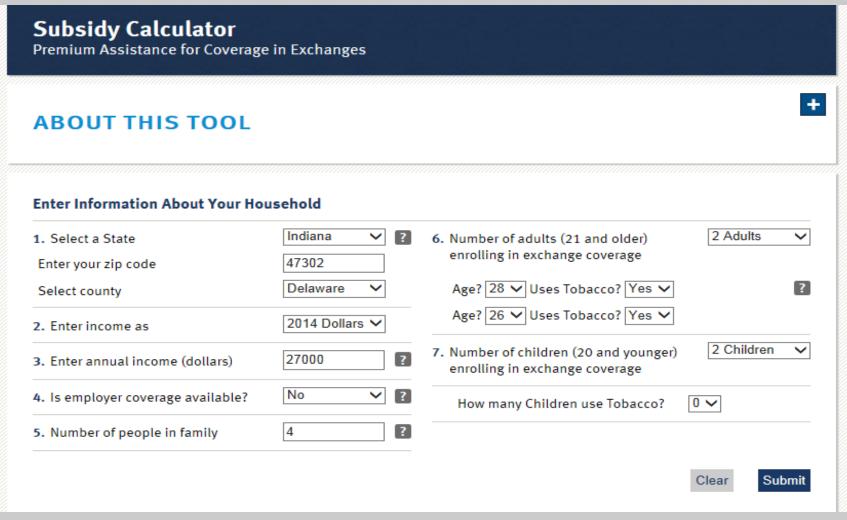
Go to The Health Care Exchange

### **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



### **Kaiser Foundation Calculator**

#### Example #1 - Lower income younger employee

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:

#### Household income in 2014:

Maximum % of income you have to pay for the premium, if eligible for a subsidy:

Health Insurance premium in 2014 (for a silver plan, before tax credit):

You could receive a government tax credit subsidy of up to:

Amount you pay for the premium:

#### 115% of poverty level

(before accounting for a tobacco surcharge, if applicable)

#### \$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.

\$10,145 per year (which covers 95% of the overall premium)

\$540 per year (which equals 2% of your household income and covers 5% of the overall premium)

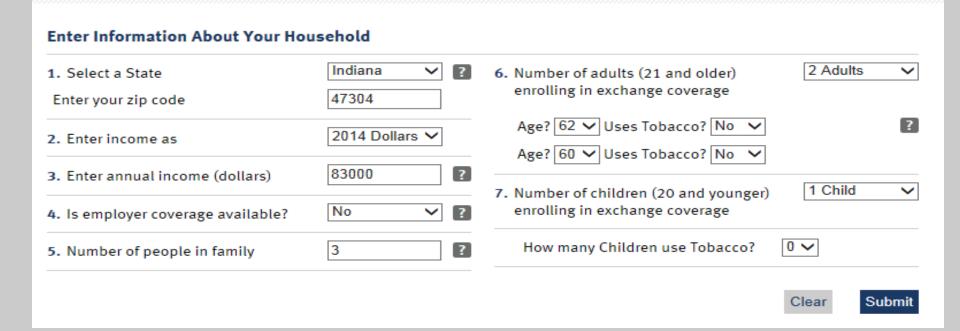
## Example #2 – Actual Employee

#### The Subsidy Calculator

#### Subsidy Calculator

Premium Assistance for Coverage in Exchanges

#### ABOUT THIS TOOL



### **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.

Household income in 2014: 425% of poverty level

Maximum % of income you have to pay for the premium, if eligible for a subsidy:

None

Health Insurance premium in 2014 (for a silver plan, before tax credit): **\$19,664** per year

You could receive a government tax credit subsidy of up to: **\$0** per year (which covers o% of the overall premium)

Amount you pay for the premium:

\$19,664 per year (which equals 23.69% of your household income and covers 100% of the overall premium)

### **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

	2013	Time Series Forecast 2014 (%)				2014	Blue
	Avg. (%)	Q1	Q2	Q3	Q4	Avg. (%)	Chip
Real GDP Growth	2.8	1.2	2.0	3.1	3.4	2.4	2.6
Inflation Rate	1.4	1.7	1.5	1.9	1.9	1.8	1.8
Unemployment Rate	7.5	7.9	8.0	8.1	8.3	8.1	7.0
10-year Treasury Bond	2.2	2.6	2.6	2.6	2.4	2.5	3.1

Center for Business and Economic Research | Ball State University

## Thank you

