



ESTIMATED WORKFORCE SIZE AND INPUT

SUMMARY

Health care reform is structured around the number of **Full-time Equivalent (FTE)** employees a business has on staff. Below is an estimate, based on your inputs, of your business' FTEs. Federal rules vary on how to calculate this number. Because of this, we use a conservative approach by including seasonal employees and using 1,440 hours (2,080 is also acceptable) as the benchmark for full time work hours. Changing either of these assumptions would lower the estimated FTEs.

Non-Full-Time Employee Estimated Hrs		Full-Time Hrs		Equivalent Full-Time		Full-Time Employees		Total Estimated FTEs
1 Emp x 75 Hrs x 26 Cycle = 1,950 Total Hrs	÷	1440	=	1	+	6	=	7

Pay Cycle	Every two weeks	Medical expenses paid by business	\$750
Offer Medical Benefits	Yes	Employee-Only Monthly Premium Cost	N/A
Plan Renewal Date	05/01/2016	COBRA Management	N/A
Updated SBC Documents	Yes	Premium Deductions	Pretax
95% of FT Employees Eligible	N/A	Have POP and/or FSAs	Yes
Lowest Paid Eligible Employee Wages	N/A	Reporting Benefits Value on W-2	Yes
Estimated Annual Wages	\$217,000	Payroll Processing	Use a service
Pays at least 50% of premiums	Yes		

ESTIMATED RESULTS

POTENTIAL CREDIT

Total Benefit Solutions, Inc may be eligible for the Health Care Tax Credit. Health care reform is not all penalties and mandates. The law also includes a provision designed to encourage, through a tax credit, small businesses to provide medical benefits to employees. In order to be eligible for this tax credit the business must employ fewer than 25 FTEs, have an average annual salary of under \$50,000 per FTE, offer medical benefits, and pay at least 50% of employee premiums. Based on your inputs, you may be eligible for the tax credit. Below is an estimate.

Annual Premium Paid		Tax Credit %		Max Potential Tax Credit		FTE Adjustment		Wage Adjustment		Potential Tax Credit
\$9,000	X	35	=	\$3,150	-	\$0	-	\$756	=	\$2,394

This estimate assumes that all information was inputted correctly and accurately. Changes in the number of FTEs or average annual salary can have a dramatic impact on the outcome.

THIS REPORT IS ONLY A GUIDE

This law is new and constantly evolving. We (and everyone else) are still processing the thousands of complex provisions. The calculations here will change based upon your input, and is meant to be an educational tool for you to use in understanding how healthcare reform may impact your business. We recommend you work closely with your BenefitMall broker and local counsel to receive the most accurate and up-to-date information.



HERE ARE SOME POTENTIAL

ACTIONS YOU CAN TAKE

allCheck Impact Summary #21136

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CONSULT TAX EXPERT

This report is only a guide. A tax expert can work with you to claim the credit as well as refine the relevant inputs (for example, full-time, part-time, hours worked). These numbers can be tricky given the complicated [IRS guidance](#) that currently exists. Small changes can impact both the FTE and the potential tax credit estimations. There may be unique circumstances, such as seasonal workers, that a tax expert can help you identify.

CONSIDER DENTAL

It isn't just major medical coverage that is eligible for the small business health care tax credit. As stated in the [IRS Notice 2010-44](#), premiums for limited scope coverage such as dental and vision are also eligible. By offering these limited coverage plans you could provide a significant benefit to your employees, take advantage of the tax incentive, and not break the bank.

REVIEW IRS FORMS

Utilize IRS form 8941 to apply for the small business health care tax credit. In addition to the form the IRS has provided a set of [instructions](#) to assist in filling this form out. If you have questions about the tax credit, your eligibility for it, or this form, you should contact a qualified tax professional. If you do not have one, let us know and we can refer you to one.



NOT SURE OF YOUR NEXT STEPS?

GIVE ME A CALL TODAY AT (215) 355-2121 OR [EMAIL ME](#)
SO WE CAN IDENTIFY YOUR WINNING STRATEGY TOGETHER.

REVIEW PAYROLL and tax filing processes. Did you know your tax filings to the IRS are a key component of health care reform implementation? It is one of the mechanisms used to audit compliance. [CompuPay, a BenefitMall company](#), has a tax filing service that keeps up with relevant regulations so that you don't have to.

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