**Employer Mandate**

The bill contains numerous requirements for employers in regards to the health care benefits they offer and “large” employers that don’t provide affordable and sufficient health coverage are subject to a penalty.

**Employment Size**

Beginning in 2014 employers with at least 50 full–time employees may be subject to new penalties. Full–time employees includes employees working 30 or more hours a week calculated on a monthly basis. Full–time equivalents are included for purposes of determining employment size. To calculate these employees aggregate the total monthly hours of part–time workers and divide by 120.

**Employers Not Offering Coverage**

Beginning in 2014 employers not offering coverage and those that have at least 50 full–time employees may face penalties. If an employer does not offer any health coverage to their full–time employees and any full–time employee receives a tax credit to purchase health insurance through an exchange, then the employer must pay a penalty of $2,000 multiplied by the total number of full–time employees. Subtract 30 from the total number of full–time employees to calculate the penalty.

**Employers Offering Coverage**

Beginning in 2014 employers with at least 50 full–time employees and offering coverage may still face penalties. If an employer does offer health coverage to their full–time employees, but it is unaffordable (more than 9.5% of household income) or covers less than 60% of costs, and any full–time employee receives a tax credit to purchase health insurance through an exchange, then the employer must pay a penalty of the lesser of $3,000 for each full–time employee receiving a tax credit or $2,000 for all full–time employees. Subtract 30 from the total number of full–time employees to calculate the penalty.

If a full–time employee whose premium is between 8% and 9.8% of their household income, and their household income is at or below 400% of poverty, wants to purchase coverage through the exchange instead, then the employer must provide a “free choice voucher” equal to the amount the employer would have paid toward the coverage under the plan with respect to which the employer pays the largest portion of the cost of the plan. The employer pays the exchange and can deduct the amount of the voucher; the employee can keep the difference.

**Other Provisions**

Changes to W–2 Forms: Effective for tax year beginning 2011 employers must include the cost of employer–sponsored health coverage on the employee’s W–2 (included on W–2 forms sent in January, 2012).

Notice to Employees: Effective March 1, 2013 or upon subsequent hire, employers must provide written notice to employees about exchange information, eligibility for tax credit or cost–sharing reduction and possible loss of employer contribution.
Report on Health Insurance Coverage: Effective January 1, 2014 large employers must file a report on health coverage and make information available to employees.

Automatic Enrollment: Employers with more than 200 employees must automatically enroll full–time employees in a health plan. Employers must provide employees adequate notice and opportunity to opt–out.

**How Employees Qualify for a Subsidy**

The subsidies are designed mainly for people without employer provided care, but are also available to people whose employer coverage is too expensive or doesn’t provide enough coverage. They must meet an income threshold, pay more than 9.5% of their income toward plan, and the employer’s plan must cover less than 60% of coverage.