



*The Advocate of South Carolina Small Business*  
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## **Affordable Care Act and Small Businesses**

### **No Mandates**

--96-97% of all SC businesses have 50 or less employees and are not required to offer health insurance to their employees.

--97% of businesses with over 50 employees already offer health insurance.

--Even without a mandate to offer health insurance, The Rand Corporation projects that 85.9% of workers in companies with 50 or fewer employees will be offered health insurance by their employers by 2016—up from only 60.4% today nationwide—due to the reduced cost of insurance as a result of the new health care law.

### **No Tax Increases**

Except individuals making over \$200,000 and joint returns over \$250,000 will have slight increase in Medicare fees. Also businesses with exceptionally rich health benefit packages might see extra fees.

### **Benefits for Small Business**

Hidden Health Insurance Tax To Decrease Dramatically—In South Carolina every family health insurance policy includes a little over \$1000 in extra premiums for the uncompensated care of the uninsured.

Medicaid expansion—Many employees will soon be eligible for Medicaid because they are below 133% of the poverty level. Employers will not be responsible for health insurance of these employees.

High Risk Pool—Many sole proprietors and other small business owners who do not offer group health insurance and have pre-existing conditions can now qualify for the new High Risk Pool and thus have access to affordable health insurance.

### Tax Credits

--88% of SC businesses (53,000) have fewer than 24 employees and thus qualify for the new federal tax credits for providing health insurance to employees.

--16,000 businesses in South Carolina have 10 or fewer employees with less than \$25,000 annual average wages and are thus eligible for the full tax credit of 35% of premium paid by employer.

### Insurance Exchange for Small Businesses

--Saves small businesses 18% in premiums because of reduced administration costs.

--Increased competition will drive down premiums.

--No more increasing premiums for whole group due to an employee with pre-existing condition.

--Employees can select their individual insurance benefits as long as the employer's pre-determined contribution covers at least 50% of the premium.