HEALTHCARE REFORM PRIMER

Looming deadlines over the next 18 months make this summer an excellent time for you to start thinking about the Patient Protection and Affordable Care Act (PPACA), the health care reform bill signed into law last year by President Obama. Some provisions are for employers with more than 50 full-time employees; others are for all employers. Most changes kick in beginning in 2014, but some begin before then. Here’s an overview of some of the processes and decisions business owners can think about today to make the transition easier.

Long-term Care Opt-out
The law requires all employers to have automatic procedures that allow workers to opt out or initiate enrollment into a national long-term-care coverage program that was created by Title VIII of the PPACA. This new program, called the Community Living Assistance Services and Support (CLASS) program, covers the potential future costs of institutional long-term care.

CLASS is voluntary, receives no federal subsidy and the premiums for coverage can be charged entirely to employees. Though the program is currently in effect, the Secretary of Health and Human Services will issue guidance on new mandates to trigger employer requirements. The deadline for guidance is October 1, 2012. For more information on this program, visit http://www.aoa.gov/AoARoot/CLASS/Key_Dates/index.aspx.

Start Tracking
Another upcoming order: All employers must for the first time report the value of employees’ health benefits on W-2 forms. Though health coverage remains a non-taxable benefit, the purpose of this provision is to show employees the costs of their employer-provided health insurance. The information must be included on W-2s issued in January 2013. However, employers who filed fewer than 250 W-2s for 2012 wages do not have to report these benefits until 2014 (for 2013 wages). For IRS guidance on this provision, visit http://www.irs.gov/pub/irs-drop/n-11-28.pdf.

Who’s Affected?
Among the most heavily debated provisions of the law were employer mandates. PPACA established two magic numbers that determine how the mandates affect small business: 50 and 120. Employers who have more than 50 full-time equivalents (FTEs) are not required to offer health insurance, but if they don’t, they can be penalized. Seasonal employees working 120 days a year or less do not count toward determining your number of FTEs. For details on calculating your number of FTEs, visit http://www.irs.gov/pub/irs-drop/n-11-36.pdf.

Significant changes are on the horizon for employer-provided health coverage in 2014 for floral industry companies employing more than 50 FTEs. Despite the numerous legal challenges to the PPACA that you may have read about, it is the law of the land, and you should heed compliance deadlines and penalties.

- **Penalty for not offering coverage by Jan. 1, 2014:** $2,000 per employee. However, employers will only be penalized if at least one employee receives a federal government subsidy and purchases coverage in the health care “exchange.” These are state-based clearinghouses mandated by the law where consumers and small businesses can choose health insurance plans that are best for them.

- **Penalty for offering unaffordable coverage:** $3,000 per employee whose premium exceeds 9.5 percent of family income and who opts to receive a government subsidy to participate in the exchange.

- **Penalty for offering low-value plans:** This is when co-pays and deductibles exceed 40 percent of an employee’s health care expenses.

In addition to these penalties for inadequate coverage, 2014 will usher in additional policies including restrictions on cafeteria plans, credits for small businesses that provide coverage and tax incentives for small businesses that establish wellness programs.

Stay tuned to SAF for more on how implementing the new health coverage reform law will affect your business.

Corey Connors is SAF’s senior director of government relations. cconnors@safnow.org
**Rene’s Bouquets for Brides**

**TWENTY-FIVE STYLES OF FASHION FORWARD FLORAL CREATIONS**

---

**By:** René van Rems, AIFD  
**ISBN:** 9780578071749  
**Format:** Hardcover/bound  
**Trim:** 12” x 12”  
**Pages:** 156  
**Retail:** $49.99  
**Wholesale:** Quantity discounts apply, 10 books per case  
**Photographs:** 107 full color Illustrations  
**Language:** English with Spanish translation  
**Category:** Wedding, crafts, floral, special events, consultants, & consumers (brides-to-be)  
**Ship Date:** From California, mid-July 2011

---

*Rene’s Bouquets for Brides* showcases exquisite photos of brand new haute couture, true fashion-forward bridal bouquets in a large coffee table resource guide book.

Twenty-five chapters of stunning large format photos and detailed close-up floral images as well as selected “how-to” visuals showcase the bouquet styles from yesterday and today, all with a new twist.

This must-have “selection sales tool” addresses the major modeled bridal gown styles, showcasing which flowers and bouquet styles will offset the fashion best.

---

**RENE VAN REMS INTERNATIONAL**  
www.renevanrems.com  |  rene@renevanrems.com  |  1.888.824.7363

---

**BOOK AVAILABLE JULY 14, 2011**

---

---