

Health Coverage and Savings for Small Businesses

Maryland Health Connection for Small Business

helps small businesses and nonprofit organizations provide health and dental insurance coverage to their employees. Businesses can sign up at any time of the year. MHC for Small Business also is the only place where small businesses may qualify for a federal tax credit to lower the cost of coverage for their employees.

Why enroll?

- As a small business owner, you can claim the deduction on taxes paid on plan premiums for health insurance, vision and dental, and you may be eligible for a health care tax credit.
- Employees get a break because their portion of their health insurance premium is paid pre-tax, lowering their income tax bill.
- Providing insurance helps retain good employees who see the value of their employer-provided insurance in compensation statements.
- Rates fluctuate less in the small group market than in the individual market. You can better predict long-term costs.

To be eligible to participate you must:

- Have a principal business address within Maryland
- Have at least one employee on payroll (not including a business owner, owner's spouse or family members)
- Employ 50 or fewer full-time-equivalent employees (FTEs)
- Offer coverage to all FTEs

GET STARTED TODAY

1

Complete the eligibility application online at:
MHCsmallbiz.MarylandHealthConnection.gov.

You can expect a response from Maryland Health Connection regarding your business' eligibility within 10 business days.

2

Select a MHC-authorized broker to assist you. These licensed professionals provide free help choosing a plan that works for your business.

3

Work with your authorized broker to browse health plans and insurance companies, and complete enrollment in a plan.

You may qualify for a health care tax credit from the IRS to help lower the cost of employee coverage.



You may qualify for the tax credit if you:

- **Buy group health insurance coverage through MHC's small business marketplace**
- **Have fewer than 25 full time-equivalent (FTE) employees**
 - You could still qualify with 25 or more employees, if some are part-time.
 - Total FTEs don't include the owner, owner's spouse or family members.
- **Pay an average annual salary of less than \$58,000 (adjusted for inflation)**
 - This average excludes wages for owner, owner's spouse or family members.
- **Contribute at least 50 percent toward employee-only health insurance premiums**
 - Amounts paid toward dependent coverage, if offered, also may be included in this total.

The tax credit is highest for employers who pay an average annual wage of \$28,000 (adjusted for inflation) or less, with 10 or fewer full-time-equivalent employees. The smaller the business, the bigger the credit.

Visit healthcare.gov/shop-calculators-taxcredit to estimate your tax credit. Eligibility for the Small Business Health Care Tax Credit is determined by the IRS. You may apply for the credit only after being deemed eligible to purchase a plan through Maryland Health Connection's Marketplace.

The tax credit may be claimed for any two consecutive years. At the end of the year, when you file your business' taxes, you will fill out Form 8941 to claim the tax credit. The IRS will have final say on how much your small business may receive.

The Small Business

Health Care Tax Credit

Helping small businesses cover the cost of employee health benefits

Maryland small businesses and nonprofit organizations that provide health insurance coverage to their employees through Maryland Health Connection may qualify for a health care tax credit from the IRS to help lower the cost of employee coverage.

Businesses can sign up at any time of the year through the Maryland Health Connection for Small Business, which is part of Maryland Health Connection, the state's health insurance marketplace.

Your business may still be eligible to enroll in this program and enjoy its many benefits even if you don't qualify for the federal tax credit.



How MHC for Small Business helps your business

- Tax credits to pay a share of employee premium costs for small businesses that qualify
- Flexibility in contributing to employee premiums
- Simplicity in paying for employee premiums
- More coverage options

Who is eligible for the health care tax credit?

Maryland small businesses and tax-exempt organizations may qualify for the Small Business Health Care Tax Credit if they:

- **Buy group health insurance coverage through Maryland Health Connection for Small Business**
- **Have fewer than 25 full time-equivalent (FTE) employees**
 - You could still qualify with 25 or more employees, if some are part-time.
 - Total FTEs don't include the owner or owner's spouse or family members.
- **Pay an average annual salary of less than \$58,000** (adjusted for inflation)
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The tax credit may be claimed for any two consecutive years. At the end of the year, when you file your business' taxes, you will fill out Form 8941 to claim the tax credit. The IRS will have final say on how much your small business may receive.

Get started today

To enroll your business or nonprofit organization through Maryland Health Connection for Small Business any time of the year, follow these steps:

1

Complete the application online at
MHCsmallbiz.MarylandHealthConnection.gov

You can expect a response from Maryland Health Connection regarding your business' eligibility within 10 business days.

2

Select an authorized broker to assist with your plan selection and enrollment. These licensed professionals provide free help choosing a plan that works for your business.

3

Browse small business health plans and insurance companies. Work with your authorized broker to select and complete enrollment in a MHC for Small Business plan.