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Vital Business Solutions Newsletter

Affordable Care Act - Small Business Benefits and Responsibilities

What's in it For You and do You Qualify?

With the Affordable Care Act, qualified small businesses and non-profit organizations can claim tax credits to offset the cost of health insurance. The amount a business can claim depends on certain criteria, including the number of employees and the amount of salary paid:

- Tax Years 2010-2013, employers with up to 25 employees and provide health insurance may qualify for a tax credit of up to 35% (up to 25% for non-profits).
- Beginning with Tax Year 2014, employers with up to 25 employees and provide health insurance may qualify for a tax credit of up to 50% (35% for non-profits).
- Employers pay average annual wages below \$50,000.

To calculate if you qualify for this tax credit, click on this link: [three simple steps](#) created by the IRS.

For important information and resources, please visit the [healthcare.gov](#) website and read the [Small Businesses and the Affordable Care Act](#) fact sheet.

How to Claim the Tax Credit

If you think your business might qualify for this benefit, there are steps to take to claim the credit:

1. Confirm that you are eligible to claim the credit
 1. Take into consideration the number of employees; the average salary you pay to each employee -- you should be paying average annual wages below \$50,000; and the size of your business or charity.
2. Claim the credit
 1. Claim the credit on your annual income tax return. Use [Form 8941](#) to calculate the credit.
 2. Tax-exempt employers are required to include information from [Form 990-I](#)
 3. Read this [Questions and Answers sheet](#) for more information on how to claim the credit.

Start planning now to claim your tax credit in the next tax year. Consult with the appropriate professional or your local IRS office for guidance.

Additional Resources

[Small Business Health Care Tax Credit for Small Employers](#)

Video: [Small Business Health Care Tax Credit](#)

Important Dates to Remember

September 30th, federal contractors will be required to file **VETS-100 Form**.

September 30th for the current year, employers who are federal contractors with 50 or more employees will be required to file **EEO-1 report**.

Effective October 1, 2012, Maryland law will prohibit employers from asking employees and job applicants for their user name and password to access social media personal accounts.

On the Radar

If the **Maryland's Same-Sex Marriage Law** is upheld, employers must be prepared to update benefits policies and plan documents to be in compliance with the new law regarding coverage for dependents. The law will be effective January 1, 2013 unless it is repealed in November.