

# Small Businesses & Health Insurance

## Are You Interested in Offering Health Insurance to Your Employees?

There are many reasons small businesses provide health insurance for their employees, even if they are not legally required to do so.

### TAX BENEFITS FOR YOU:

- Small businesses can **claim a deduction** from their income taxes for the cost of health insurance.
- Some small businesses that offer health insurance coverage to employees can **claim a health care tax credit** that can be as high as 50% of their health insurance costs, depending on the type of business (profit or non-profit), number of employees (under 25), their salaries, and the amount you pay.
  - ✓ Your small business need not have any current tax liability to take advantage of these **tax credits**. The credits can offset last year's income tax liability or liability you incur over the next 20 years.
  - ✓ For small businesses that are **non-profit**, the **health care tax credit is refundable**.
  - ✓ You must offer coverage through the NY State of Health Small Business Marketplace to qualify.

### TAX BENEFITS FOR YOUR WORKERS:

- Small businesses that offer coverage can **provide employees with tax savings** by letting them pay their share of the cost of coverage with pre-tax salary reductions.
- The amount you contribute towards the cost of health insurance coverage for your **workers** is excluded from the employee's gross income and therefore results in additional **employee tax savings**.

### WORKFORCE & OPERATIONAL BENEFITS:

- Small businesses that provide employees with health insurance coverage may:
  - **Attract and retain better workers**
  - **Maintain the health of their workers**
  - **Reduce hiring and training costs**
- **Most individuals will have to get coverage or pay a penalty.** Offering your workers coverage is a way to help them get the coverage they need under the federal health care law.

To learn more about the tax advantages of providing health insurance to your employees, talk with a tax advisor.

Learn more about health care reform or to get started with coverage, visit the NY State of Health at [nystateofhealth.ny.gov](http://nystateofhealth.ny.gov) or call 1-855-355-5777.



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