



# Health Care Reform

## Affordable Care Act Dollar Amounts and Percentages

Many provisions in the Affordable Care Act contain numbers or percentages that are indexed to various measures of inflation or that change from year to year. The government announces new numbers at different times of the year and in different publications. The table below assembles these amounts in one place and is current as of October 19, 2017.

### Indexed Amounts Affecting Group Health Plans

Item	2014	2015	2016	2017	2018
Out-of-Pocket (OOP) Limit for Non-Grandfathered Plans	Individual: \$6,350 Family: \$12,700 <sup>1</sup>	Individual: \$6,600 Family: \$13,200 <sup>2</sup> (See <a href="#">announcement.</a> )	Individual: \$6,850 Family: \$13,700 (See <a href="#">announcement.</a> )	Individual: \$7,150 Family: \$14,300 (See <a href="#">announcement.</a> )	Individual: \$7,350 Family: \$14,700 (See <a href="#">announcement.</a> )
Flexible Spending Account (FSA) Maximum Salary Reduction	\$2,500	\$2,550 (See <a href="#">announcement.</a> )	\$2,550 (See <a href="#">announcement.</a> )	\$2,600 (See <a href="#">announcement.</a> )	\$2,650 (See <a href="#">announcement.</a> )
Employer Shared Responsibility Penalty – 4980H(a) <sup>3</sup>	Not in effect (but would have been \$2,000)	\$2,080 (See <a href="#">announcement.</a> )	\$2,160 (See <a href="#">announcement.</a> )	\$2,260 (See <a href="#">answers to FAQs.</a> )	
Employer Shared Responsibility Penalty – 4980H(b) <sup>4</sup>	Not in effect (but would have been \$3,000)	\$3,120 (See <a href="#">announcement.</a> )	\$3,240 (See <a href="#">announcement.</a> )	\$3,390 (See <a href="#">answers to FAQs.</a> )	
Affordability of Group Health Plan Coverage: Test Applied by Exchange/Marketplace When Determining if Offered Coverage Is Affordable	Not affordable if cost of employee-only coverage exceeds 9.50% of household income	Not affordable if cost of employee-only coverage exceeds 9.56% of household income (See <a href="#">announcement.</a> )	Not affordable if cost of employee-only coverage exceeds 9.66% of household income (See <a href="#">announcement.</a> )	Not affordable if cost of employee-only coverage exceeds 9.69% of household income (See <a href="#">announcement.</a> )	Not affordable if cost of employee-only coverage exceeds 9.56% of household income (See <a href="#">announcement.</a> )

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<sup>1</sup> For 2014 *only*, the Affordable Care Act's OOP limits were the same as the OOP maximums applicable to a Health Savings Account (HSA) offered with a high-deductible health plan (HDHP).

<sup>2</sup> For 2015 and beyond, the Affordable Care Act's OOP limits are not indexed to the HSA/HDHP amounts. The HSA/HDHP amounts are shown later in this chart for ease of reference.

<sup>3</sup> The employer shared responsibility penalty is found in section 4980H of the Internal Revenue Code. There are two branches of the employer shared responsibility penalty. The 4980H(a) penalty is based on the total number of full-time employees. It is triggered if the employer fails to offer coverage to a certain percentage of its full-time employees and one full-time employee receives subsidized Exchange/Marketplace coverage.

<sup>4</sup> The 4980H(b) penalty is based on the number of full-time employees who are not offered affordable, minimum value coverage by the employer and who receive subsidized Exchange/Marketplace coverage instead of employer coverage.

Item	2014	2015	2016	2017	2018
<b>Affordability of Group Health Plan Coverage: Safe Harbors Available to Employers Seeking to Minimize Employer Penalty</b>	W-2, rate of pay and Federal Poverty Level (FPL) safe harbors would have used 9.50% in the calculation if the employer penalty had been in effect	W-2, rate of pay and FPL safe harbors use 9.56% in the calculation (See <a href="#">announcement.</a> ) See separate table on the next page for FPL safe harbor calculation.	W-2, rate of pay and FPL safe harbors use 9.66% in the calculation (See <a href="#">announcement.</a> ) See separate table on the next page for FPL safe harbor calculation.	W-2, rate of pay and FPL safe harbors use 9.69% in the calculation (See <a href="#">answers to FAQs.</a> ) See separate table on the next page for FPL safe harbor calculation.	W-2, rate of pay and FPL safe harbors use 9.56% in the calculation (See <a href="#">announcement.</a> ) See separate table on the next page for FPL safe harbor calculation.
<b>100% of the FPL (for single person living in one of the 48 contiguous states or DC),<sup>5</sup> which Exchange/Marketplace Uses When Calculating Premium Assistance Tax Credit</b>	\$11,490	\$11,670 (See <a href="#">announcement.</a> )	\$11,770 (See <a href="#">announcement.</a> )	\$11,880 (See <a href="#">announcement.</a> )	\$12,060 (See <a href="#">announcement.</a> )
<b>Affordability of Group Health Plan Coverage: Test Applied by Federal Government in Determining if Individual or Family Is Exempt from the Individual Mandate</b>	Not affordable if cost of coverage exceeds 8.00% of household income	Not affordable if cost of coverage exceeds 8.05% of household income (See <a href="#">announcement.</a> )	Not affordable if cost of coverage exceeds 8.13% of household income (See <a href="#">announcement.</a> )	Not affordable if cost of coverage exceeds 8.16% of household income (See <a href="#">announcement.</a> )	Not affordable if cost of coverage exceeds 8.05% of household income (See <a href="#">announcement.</a> )
<b>Individual-Mandate Penalty</b>	Greater of \$95 or 1% of income; maximum penalty is \$204 per person per month or \$1,020 per month for a family of 5 or more (See <a href="#">announcement.</a> )	Greater of \$325 or 2% of income; maximum penalty is \$207 per person per month or \$1,035 per month for a family of 5 or more (See <a href="#">announcement.</a> )	Greater of \$695 (indexed after 2016) or 2.5% of income; maximum penalty is \$223 per person per month or \$1,115 per month for a family of 5 or more (See <a href="#">announcement.</a> )	Greater of \$695 or 2.5% of income; maximum penalty is \$272 per person per month or \$1,360 per month for a family of 5 or more (See <a href="#">announcement.</a> )	Greater of \$695 or 2.5% of income; maximum penalty to be determined (See <a href="#">announcement.</a> )

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<sup>5</sup> Revised federal poverty guidelines are usually released in late January of each year. They apply to Exchange/Marketplace calculations of the premium assistance tax credit for the following year (e.g., the FPL released in January 2015 is used to calculate the premium assistance tax credit for 2016). Higher amounts apply to individuals living in Alaska and Hawaii.

Item	2014	2015	2016	2017	2018
<b>HSA/HDHP</b>					
▪ <b>Minimum Deductible</b>	Individual: \$1,250 Family: \$2,500	Individual: \$1,300 Family: \$2,600 (See <a href="#">announcement.</a> )	Individual: \$1,300 Family: \$2,600 (See <a href="#">announcement.</a> )	Individual: \$1,300 Family: \$2,600 (See <a href="#">announcement.</a> )	Individual: \$1,350 Family: \$2,700 (See <a href="#">announcement.</a> )
▪ <b>Maximum Contribution<sup>6</sup></b>	Individual: \$3,300 Family: \$6,550	Individual: \$3,350 Family: \$6,650	Individual: \$3,350 Family: \$6,750	Individual: \$3,400 Family: \$6,750	Individual: \$3,450 Family: \$6,900
▪ <b>OOP Maximum</b>	Individual: \$6,350 Family: \$12,700	Individual: \$6,450 Family: \$12,900	Individual: \$6,550 Family: \$13,100	Individual: \$6,550 Family: \$13,100	Individual: \$6,650 Family: \$13,300

### Affordability of Group Health Plan Coverage: FPL Safe Harbor Available to Employers Seeking to Minimize Employer Penalty

Plan Year	100% of FPL for Single Individual Working in 48 Contiguous States or DC	Maximum Affordable Monthly Premium for Self-Only Coverage
Plan Year Beginning January 1, 2015 <sup>7</sup>	\$11,670	\$92.97 <sup>8</sup>
Plan Year Beginning February 1 – December 1, 2015	\$11,770	\$93.77
Plan Year Beginning January 1, 2016	\$11,770	\$94.75 <sup>9</sup>
Plan Year Beginning February 1 – December 1, 2016	\$11,880	\$95.63
Plan Year Beginning January 1, 2017	\$11,880	\$95.93 <sup>10</sup>
Plan Year Beginning February 1 – December 1, 2017	\$12,060	\$97.38
Plan Year Beginning January 1, 2018	\$12,060	\$96.08 <sup>11</sup>

<sup>6</sup> Those over age 55 before the end of the taxable year can make an HSA catch-up contribution of \$1,000 each year.

<sup>7</sup> Employers may use any FPL in effect within six months before the start of the plan year. Higher levels apply to individuals working in Alaska and Hawaii.

<sup>8</sup> The calculations for 2015 use 9.56% as the applicable multiplier, as permitted by [Treasury Notice 2015-87](#).

<sup>9</sup> The calculations for 2016 use 9.66% as the applicable multiplier, as permitted by [Treasury Notice 2015-87](#).

<sup>10</sup> The calculations for 2017 use 9.69% as the applicable multiplier, as permitted by [answers to FAQs](#).

<sup>11</sup> Note that the maximum monthly amount *decreased* for 2018 because the calculation uses 9.56% as the applicable multiplier (the multiplier for 2017 was 9.69%, as noted in footnote 9). See [Revenue Procedure 2017-36](#).

## Affordable Care Act Fees

Fees	2014	2015	2016	2017	2018
Comparative Effectiveness Research Fees (PCORI) <sup>11</sup>	\$2.00 per person (for a calendar-year plan, the amount paid by 7/31/14 for the 2013 plan year)	\$2.08 per person (for a calendar-year plan, the amount paid by 7/31/15 for the 2014 plan year) (See <a href="#">announcement.</a> )	\$2.17 per person (for a calendar-year plan, the amount paid by 7/31/16 for the 2015 plan year) (See <a href="#">announcement.</a> )	\$2.26 per person (for a calendar-year plan, the amount paid by 7/31/17 for the 2016 plan year) (See <a href="#">announcement.</a> )	\$2.39 per person (for a calendar-year plan, the amount paid by 7/31/18 for the 2017 plan year) (See <a href="#">announcement.</a> )
Transitional Reinsurance Program Fees <sup>12</sup>	\$63 per person (based on enrollment count for first 9 months of 2014)	\$44 per person (based on enrollment count for first 9 months of 2015)	\$27 per person (based on enrollment count for first 9 months of 2016)	Not applicable. Fees applied only for 2014–2016.	Not applicable. Fees applied only for 2014–2016.

<sup>11</sup> PCORI stands for the Patient-Centered Outcomes Research Institute that is partially funded through the comparative effectiveness research fees. These fees are based on the plan year (not the calendar year). The chart illustrates the amount and payment deadline for a calendar-year plan.

<sup>12</sup> These fees were not indexed, but they did vary each year. These fees were based on the calendar year (not the plan year).

For more information about the amounts in these table, including links to relevant IRS guidance, and how the amounts affect your plan, please contact your Segal consultant or the nearest [Segal office](#). Segal can be retained to work with plan sponsors and their legal counsel on compliance issues.



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