

Legislative Brief

Small Business Health Care Tax Credit: Steps to Determine Eligibility



Determine if you may qualify for the Small Business Health Care Tax Credit by following these three simple steps from the IRS.

3 SIMPLE STEPS

If you are a small employer (business or tax-exempt) that provides health insurance coverage to your employees, determine if you may qualify for the **Small Business Health Care Tax Credit** by following these three simple steps:

<p>1 Determine the total number of your employees (not counting owners or family members):</p> <p>Full-time employees: _____ (enter the number of employees who work at least 40 hours per week)</p> <p style="text-align: center;">+</p> <p>Full-time equivalent of part-time employees: _____ (Calculate the number of full-time equivalents by dividing the total annual hours of part-time employees by 2080.)</p> <p>= <input type="text"/> total employees</p> <p>If the total number of employees is fewer than 25 GO TO STEP 2</p>	<p>2 Calculate the average annual wages of employees (not counting owners or family members):</p> <p>Take the total annual wages paid to employees: _____</p> <p style="text-align: center;">÷</p> <p>Divide it by the number of employees from STEP 1: _____ (total wages ÷ number of employees)</p> <p>= <input type="text"/> average wages</p> <p>If the result is less than \$50,000, AND</p>
---	--

3 You pay at least half of the insurance premiums for your employees at the single (employee-only) coverage rate, then

» you may be able to claim the **Small Business Health Care Tax Credit**.
Find out more information at **IRS.gov**



This Silberstein Insurance Group Legislative Brief is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.