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## **OBAMACARE - EARLY RENEWAL?**

A current "hot topic" among individuals and small employers is whether to renew their existing health insurance policies/plans early, in 2013, or instead select insurance and renew in 2014. Many large insurance companies are notifying individuals and small groups with options to renew their coverage on/about December 1, 2013. **Health insurance renewals in 2013 will not be subject to Affordable Care Act/Obamacare legislation until it renews late 2014 - any health insurance issued or renewed during 2014 must comply with Affordable Care Act provision and their related premium costs beginning with the 2014 renewal date.**

## **INSURANCE COSTS - PRE AND POST OBAMACARE**

Articles about the impact of Obamacare on insurance premiums range from "it's almost free," to "premium shock" - depending on who is writing the article. **Most experts are suggesting that premiums will increase, some substantially, for the younger, healthier people/groups, with older, sicker people possibly seeing decreases in costs.** Those Americans who qualify for premium tax credits on the state government exchanges will likely get some very good deals - with the possibility of free health insurance for the lower-priced "bronze" insurance plans.

## **RENEW EARLY - THE BASIC CONCEPT**

Small employers and individuals who renew their health insurance in 2013 will postpone the numerous added, but costly, ACA mandated benefits until late 2014. Purchasing or renewing a health plan in 2014 will require that the plan be ACA compliant.

## **WHO SHOULD CONSIDER EARLY RENEWAL?**

Small employer groups and individuals who may save substantial insurance premium dollars for 12 months by renewing in 2013 include:

- Small groups who wish to "lock in" their existing insurance premium rates and explore plan options in 2014 as more precise information is available about Obamacare;
- Young people or groups (they are expected to subsidize older people);
- Healthy people or groups without a lot of large medical claims (who will help subsidize sick people under ACA);
- People whose household income is too high for public exchange premium credit subsidies; and
- Companies who offer health plans with deductibles higher than \$2,000 (ACA/Obamacare compliant plans require a maximum policy deductible of \$2,000 per individual and \$4,000 per family).

Older, unhealthier individuals or unhealthy, "up-rated" employer groups may actually obtain decreases in

insurance premiums by renewing in 2014 due to "community rating," in which pricing for older, sicker people is not much different than the young, healthy people.

Also, if your lower income will qualify you for Federal premium tax credits, enrolling in a state exchange for 2014 will likely be in your best interest.

### **DO NOT DELAY - ACTION STEPS**

**Some insurance companies have October 15th deadlines in which to renew early during 2013.** You should contact your health insurance broker/agent to determine whether early renewal will benefit you or your employer group.

### **ACCUPAY'S BENEFITS CONSULTANT**

**Joe Stafford, CPA has joined Accupay to form AccuPay Benefits & Flex.** Joe has over 10 years of health/benefits experience as a Greenwood broker/owner.

AccuPay Benefits & Flex is educating employers about the Affordable Care Act, aka Obamacare. Joe Stafford's experience in benefits design, tax laws, and health insurance products is helping us professionally advise both employers and their employee-staff.

**If you have questions about Obamacare as it pertains to employer groups or individuals, email [healthcarereform@accupay.com](mailto:healthcarereform@accupay.com), or call 317-885-7600 to arrange a meeting with Joe or our healthcare reform team of professionals.**

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