



SHOP Insurance

The Small Business Health Options Program (SHOP) helps small employers with 1–50 employees offer health insurance, in most states. SHOP offers you and your employees affordable private health and dental coverage.

You can start offering SHOP insurance to your employees any time of year. You don't have to wait for an Open Enrollment Period.

3 things to know about offering SHOP coverage

- 1. The SHOP Marketplace offers high-quality plans from private insurance companies.** All SHOP plans offer the same set of essential health benefits, like doctor visits, preventive care, hospitalization, and prescription drugs. There are also limits on the differences in premiums that insurance companies can charge based on age, and restrictions on charging individuals more because of pre-existing conditions.
- 2. You have choice and flexibility.** You can:
 - Offer your employees one plan, or let them choose from multiple plans.
 - Offer health coverage, dental coverage, or both.
 - Choose how much you pay toward your employees' premiums and whether to offer coverage to their dependents.
 - Decide the length of your employees' initial enrollment period, and how long new employees must wait before joining the plan.
- 3. You may qualify for the Small Business Health Care Tax Credit.** This tax credit can be worth up to 50% (up to 35% for tax-exempt employers) of your contribution toward premium costs. Generally, to qualify, you must:
 - Have fewer than 25 full-time equivalent employees (FTEs) making an average of about \$50,000 a year or less.
 - Pay at least 50% of your FTEs' premium costs. The tax savings is worth up to 50% of your contribution toward employees' premium costs (up to 35% for tax-exempt employers).If you're a small employer in an area with no available SHOP plans, visit irs.gov/affordable-care-act/employers/small-business-health-care-tax-credit-and-the-shop-marketplace for information on qualifying for the Small Business Health Care Tax Credit.

To be eligible for SHOP coverage, you must:

- Have a primary business address within the state where you're buying coverage or have an eligible employee with a primary worksite within the state where you're buying coverage.
- Have at least one common-law employee on payroll (not including a business owner or sole proprietor, or their spouse(s) on the payroll) to enroll in coverage. For the definition of a common-law employee, visit irs.gov/businesses/small-businesses-self-employed/employee-common-law-employee.
- Offer coverage to all your full-time employees—those working an average of 30 or more hours per week.
- Employ 50 or fewer full-time equivalent employees (FTEs). For example, 2 half-time employees generally equal 1 FTE. Visit [HealthCare.gov/shop-calculators-fte](https://healthcare.gov/shop-calculators-fte) to quickly calculate how many FTEs you have.

8 ways to get ready to enroll

- 1. Learn about SHOP.** See if your business qualifies for SHOP coverage and how it can benefit you and your employees. Use the SHOP Full-time Equivalent Employee (FTE) Calculator at [HealthCare.gov/shop-calculators-fte](https://www.healthcare.gov/shop-calculators-fte) to see if you qualify.
- 2. Talk to your employees.** Find out your employees' coverage needs. This will help you with your insurance decision, and you'll get an idea of how many employees might participate. You may have to meet a minimum participation rate to buy SHOP insurance. Use the SHOP Minimum Participation Rate Calculator at [HealthCare.gov/small-businesses/shop-calculators-mpr](https://www.healthcare.gov/small-businesses/shop-calculators-mpr) to see how many of your employees must accept your insurance offer.
- 3. Preview health plans that are available in your area.** To see health and dental plans and prices, visit [HealthCare.gov/see-plans/#/small-business](https://www.healthcare.gov/see-plans/#/small-business).
- 4. Set your budget.** Think about how much money you're able to spend for group insurance. You'll also need to consider how much your employees can spend for their insurance.
- 5. Think about when to start.** Small businesses can start offering SHOP insurance any time during the year. You'll need to choose a month to start insurance. Consider what timing works best for you and your employees.
- 6. Find out if you qualify for a tax credit.** The Small Business Health Care Tax Credit Estimator can help determine if your business may qualify for the Small Business Health Care Tax Credit, and how much it could be worth to you. Visit [HealthCare.gov/shop-calculators-taxcredit](https://www.healthcare.gov/shop-calculators-taxcredit).
- 7. Get organized.** Gather basic information about your business, like a list of full-time and part-time employees you plan to cover, and your tax ID number.
- 8. Get help.** Licensed agents and brokers registered to work with SHOP can help you explore your insurance options and complete the application, typically at no additional cost to you or your employees.

2 easy ways to get answers to your questions

- 1. Agents and brokers:** Agents and brokers can help you apply for and enroll in coverage in the SHOP Marketplace. It won't cost you any more to use an agent or broker since their commissions are paid by the insurance company. If you decide to work with an agent or broker, they must complete the SHOP Marketplace registration requirements so you can authorize them to act on your behalf. If you already have an agent or broker, you can continue to work with them as long as they complete the SHOP Marketplace registration requirements. Visit [LocalHelp.HealthCare.gov](https://www.localhelp.healthcare.gov) to search for an agent or broker in your area. You can also use the Help On Demand tool at [Marketplace.helpondemand.com/lp/2117DCF4-7D7C-4985-A45B-29C431634561](https://www.marketplace.helpondemand.com/lp/2117DCF4-7D7C-4985-A45B-29C431634561) to get immediate help from an agent or broker. To learn more about how an agent or broker can help you with SHOP, visit [Marketplace.cms.gov/outreach-and-education/tips-for-employers-working-with-shop-broker.pdf](https://www.marketplace.cms.gov/outreach-and-education/tips-for-employers-working-with-shop-broker.pdf).
- 2. HealthCare.gov:** There are a variety of resources and tools to help you find the insurance that works best for your business.

You have the right to get Marketplace information in an accessible format, like large print, Braille, or audio. You also have the right to file a complaint if you feel you've been discriminated against. Visit [CMS.gov/about-cms/agency-information/aboutwebsite/cmsnondiscriminationnotice.html](https://www.cms.gov/about-cms/agency-information/aboutwebsite/cmsnondiscriminationnotice.html), or call the Marketplace Call Center at 1-800-318-2596 for more information. TTY users can call 1-855-889-4325.

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