



UNITED STATES SENATE COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP
WASHINGTON, DC

FACTSHEET: SMALL BUSINESS HEALTH CARE AMENDMENTS
Affordability and Sustainability for America's Small Businesses

MAKE THE "BRIDGE" CREDIT AVAILABLE SOONER FOR SMALL BUSINESS (S. AMDT # 3014)

Senators Landrieu, Stabenow, Shaheen, Bayh, Lincoln

To help small businesses bridge the current affordability gap they are facing in providing health insurance for their employees, beginning in 2011, a "Bridge" tax credit is phased in for small businesses with 25 or fewer employees with average annual wages of less than \$40,000. This amendment would make the Bridge Credit available in 2010, so more small businesses can more immediately afford to provide health insurance for their workers.

EXTEND THE "EXCHANGE" CREDIT FOR SMALL BUSINESS (S. AMDT # 3012)

Senators Landrieu, Stabenow, Shaheen, Bayh

Once the exchanges are up and running in 2014, the "Bridge" credit is phased out in favor of an "Exchange" credit, which is available to those small business owners who contribute to their employees' health care costs and offer health insurance through the exchanges for two years. This amendment would extend this two-year Exchange credit to five years to strengthen the exchanges and to make health insurance more affordable for small businesses for a longer period.

EXPAND THE SMALL BUSINESS TAX CREDIT (S. AMDT # 3085)

Senators Lincoln, Durbin, Kerry, Landrieu, Bayh

The current proposal includes Bridge and Exchange credits that are phased in for small businesses with 25 or fewer employees with average annual wages of less than \$40,000 that contribute to at least half their employees' health-care costs. However, the full value of these credits is only available to employers with 10 or fewer full-time employees with annual wages averaging \$20,000 or less. This amendment expands this wage limitation to \$25,000 for both the Bridge and Exchange credits to allow more small businesses access to the full credit.

TAX EQUITY FOR THE SELF-EMPLOYED (S. AMDT # 3013)

Senators Landrieu, Shaheen, Bayh, Lincoln

While big firms can deduct health insurance premiums on their federal income tax returns, under the current tax rules self-employed taxpayers – which make up 22 million of the 29 million small business owners in America – cannot deduct premiums as a business expense for payroll tax purposes. This effectively results in an additional 15.3 percent of tax on health insurance premiums for the self-employed. This tax injustice has gone unnoticed for too long. This amendment would allow the self-employed a 50% deduction for their health insurance costs for self-employment tax purposes in order to make health insurance more immediately affordable for the self-employed.

INCREASE THE WAITING PERIOD (S. AMDT # 3011)

Senators Landrieu, Snowe, Shaheen, Lincoln, Bayh, Warner

Under the bill currently, businesses that have waiting periods for employees to enroll in health insurance that exceed 30 days, up to 90 days, would pay a fee. This amendment extends the waiting period to 90 days with no penalty. This would relieve some administrative costs to businesses with high initial employee turnover in enrolling employees into plans before there is sufficient time to determine that the employee will remain employed at that business.

EXPANDING SMALL BUSINESS PARTICIPATION IN THE EXCHANGE (S. AMDT #2903)

Senators Snowe, Landrieu, Durbin, Merkley, Lincoln

The Senate health care bill allows employers with up to 100 employees to participate in state exchanges; however, the bill also gives states the option to limit small business participation in the exchanges to businesses with up to 50 employees until 2016. This amendment would remove the provision allowing states to reduce the size of participating small businesses in the exchanges, which in turn would increase the amount of small businesses participating.

SIMPLE CAFETERIA PLAN AMENDMENT (S. AMDT # 2999)

Senators Snowe, Landrieu, Kerry

Small businesses offering cafeteria plans provide tax-free benefits to their employees. This amendment would allow self-employed individuals to be treated as employees participating in cafeteria plans.

PREVENTING STATES FROM PASSING MANDATES ON SMALL BUSINESSES (S. AMDT 2904)

Senator Snowe

The amendment preempts states from requiring small businesses with under 50 employees to offer health insurance, which would impose additional costs and impede job creation.

SMALL BUSINESS CONTRACTING (S. AMDT # 3008)

Senators Landrieu, Snowe, Shaheen

The amendment clearly states that agencies cannot waive the Federal Acquisition Regulation (report small business contracting numbers and meet small business contracting goals of 23 percent).

SMALL BUSINESS REINSURANCE ALLOCATION (S. AMDT # 3009)

Senators Landrieu, Durbin, Shaheen

The Senate bill creates a new temporary reinsurance program to help companies that provide early retiree health benefits for those ages 55-64 to offset the cost of coverage. The amendment ensures that the Secretary shall allocate a reasonable percentage for small business retirees.

SMALL BUSINESS REPRESENTATION (S. AMDT # 3006)

Senators Landrieu, Snowe, Shaheen, Bayh

The Senate bill creates a National Health Care Workforce Commission to address health care worker shortages, improve Federal coordination, and improve innovation in the industry. This amendment would include a member representing small businesses and the self-employed on the Commission to give these members of the health care sector a voice in this Commission.

PROVIDING INFORMATION ON SMALL BUSINESS HEALTH CARE OPTIONS (S. AMDT # 3010)

Senators Landrieu, Snowe, Durbin, Bayh, Shaheen, Lincoln

The bill currently establishes an Internet portal for individuals to easily access information affordable and comprehensive coverage options. This amendment specifies that small businesses receive information on available health care options, including information regarding reinsurance for early retirees, small business tax credits, and other information specifically for small businesses regarding affordable health care options.

REVIEWING THE IMPACT OF REFORM ON SMALL BUSINESSES (S. AMDT # 3007)

Senators Landrieu, Snowe, Bayh, Shaheen

This amendment requires GAO to specifically review the impact of exchanges on the affordability and access of healthcare for small businesses. The amendment comes after several Small Business Committee hearings on this issue and ensures that exchanges are indeed making a difference for small business owners.

ENSURING SBA RESOURCE PARTNERS ARE ELIGIBLE FOR AWARENESS GRANTS (S. AMDT # 3005)

Senators Landrieu, Snowe, Bayh, Shaheen

The bill lists Small Business Development Centers as eligible recipients of exchange public awareness grants. The amendment would include all Small Business Administration partners in the program, including: Women's Business Centers, SCORE, Minority Business Centers, Veteran Business Centers, etc.

PART-TIME WORKER DEFINITION (S. AMDT ____)

Senator Cantwell

This amendment modifies the definition of full-time employee to 390 hours per calendar quarter (13 weeks) instead of the current 30 hours per week on average. This would take into account the fluctuations in hours an employee works, and reduce the impact of the employer requirements, for industries with high turnover and that rely on part-time employees to sustain their business.