



## **Small Business Healthcare Relief Act of 2015**

### *Summary of Legislation*

As a result of the September 2013 regulatory notices issued by both the Department of Treasury and the Department of Labor, employers were henceforth prohibited from using tax-advantaged funding arrangements to assist employees in the purchase of health insurance coverage on the individual market.

Employers with 50 or fewer employees are *not* subject to the ACA's employer mandate requirement to provide coverage to their employees; however, many would choose to provide some degree of financial assistance to employees for healthcare-related costs, if they were extended the option to do so on a pre-tax basis.

The *Small Business Healthcare Relief Act of 2015* (H.R. 2911) would allow small businesses to use pre-tax Health Reimbursement Arrangements (HRA) to financially assist their employees with the purchase of health coverage and related costs. More specifically, the SBHRA would:

- Allow small employers to use tax-advantaged funding arrangements to help employees purchase a health plan on the individual market; and
- Establishing stand-alone health reimbursement arrangements for small businesses, which can be used to pay for qualified health items on a pre-tax basis or provide tax-advantaged resources to purchase a health policy in the individual market.

The SBHRA will provide critical relief on multiple fronts to small business employers in the form of reduced cost of getting their employees health plan coverage, as well as the significant reduction in time required on the part of the employer in choosing this option.

Lastly, the SBHRA will also benefit employees by affording them the flexibility to personally *choose* the most appropriate health plan for their unique healthcare needs on the individual market.