

**10 CREDIT FOR SMALL EMPLOYER HEALTH INSURANCE PREMIUMS**

General Qualifications

- 1) Do not count owners or family of owners for this credit. Do not count their wages, hours or cost of medical premiums paid in any of the computations.
- 2) Do you have 25 or fewer full-time employees (divide hours of part-time employees by 2080 and round down to arrive at full-time equivalent)?
- 3) Is the average of the total wages of these employees less than \$50,000? (total wages of employees in 2) divided by the full-time equivalent number in 2))
- 4) Did the company pay at least 50% of the medical insurance premiums of the employee only coverage for any of the employees in 2)?

If the answer to 2), 3), and 4) are yes, you may want to provide us with the following information (attach additional sheets as necessary) check if additional sheets are attached:

1 Employee	2 Hours	3 Wages	4 Months Single Coverage	5 Premiums Paid	6 Employer Portion of Premiums Paid	7 Months of Family Coverage	8 Premiums Paid	9 Employer Portion of Premiums Paid
Seasonal	X	X						

- 1) Do not include seasonal workers who work less than 120 days during the year, but do include their premium information on the first line.
- 2) Include sick, vacation and holiday time. Do not enter more than 2080 hours for any employee.
- 3) Use the larger of Medicare or Social Security Wages.
- 4) If there are no employer-paid premiums for family coverage ignore columns 7-9.
- 5) If there are employer-paid premiums for family coverage break the monthly premium into an employee only amount and a family amount. Example: the employer pays 100% of the employee A's coverage and 25% of the family coverage. Employee A has seven months of single coverage and two months of family coverage in the year. The single rate is \$400 per month and the family rate is \$900 per month.

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A	1560	\$18,000	9	\$3,600	\$3,600	\$2	\$1,000	\$250
			(break out of family coverage single rate)				(\$900-400) x 2 months	(25%).

- 6) Do not include as employer paid premiums amounts paid as part of salary reduction agreement (e.g. a Code Section 125 cafeteria plan).