

Health Coverage for Small Businesses



What is the SHOP?

The Small Business Health Options Program (SHOP) helps Maryland small businesses and nonprofit organizations provide health and dental insurance coverage to their employees. SHOP is the only place where small businesses may qualify for a health care tax credit from the IRS to help lower the cost of coverage for their employees. SHOP is part of Maryland Health Connection, the state's health insurance marketplace.

Benefits for your growing business:

- Tax credits to help pay your share of employee premium costs if you qualify
- Flexibility in contributing to your employee's premiums
- Simplicity in paying for your employee's premiums
- More coverage options for you and your employees

Who is eligible for SHOP?

To be eligible to participate in SHOP, you must:

- Have a principal business address within Maryland
- Have at least one employee on payroll (not including a business owner, owner's spouse or family members)
- Employ 50 or fewer full-time-equivalent employees (FTEs)
- Offer SHOP coverage to all FTEs

Health Care Tax Credit

The Small Business Health Care Tax Credit covers up to half of health insurance premiums paid by eligible small businesses and up to 35 percent paid by eligible nonprofits or other tax-exempt organizations. The tax credit is available for two consecutive tax years. Use the IRS Small Business Health Care Tax Credit Estimator to assess what your credit may be. For more information, visit www.IRS.gov.

- Businesses and tax-exempt organizations must purchase group health insurance coverage through Maryland's SHOP Marketplace to be eligible.
- Eligibility for the tax credit is determined by the IRS. Your business may be eligible if you:
 - Have fewer than 25 full-time-equivalent employees.
 - Pay an average annual salary of less than \$50,000.
 - Contribute at least 50 percent toward employee-only health insurance premiums.

“HOW DO I ENROLL THROUGH THE SHOP?”

You can sign-up through Maryland’s SHOP Marketplace any time of the year. Follow these 3 steps to enroll:

- Visit MarylandHealthConnection.gov/small-businesses-enroll-now/.
- Use the SHOP Administrator.
- Browse SHOP-participating carriers and certified plans.

When can I sign up for coverage through SHOP?

You can sign up through SHOP any time of the year. Your group’s effective coverage date will depend on how quickly you move through the process of selecting the plans that you make available to employees, how long the employees have to select their coverage and how quickly you make your first payment to your selected insurance company.

Do I have to select a SHOP-authorized broker?

Yes. Under SHOP, small businesses are required to use a SHOP-authorized insurance broker. All Maryland Health Connection authorized brokers are trained and credentialed. They are knowledgeable of the enrollment process and will not ask for compensation from your small business for their assistance.

Learn more about Maryland Health Connection’s SHOP Marketplace and the Small Business Health Care Tax Credit by visiting MarylandHealthConnection.gov/business-owners/ and www.irs.gov.