

# Play or pay penalties

for employers subject to employer mandate

**ANSWER A FEW QUESTIONS**

Does the employer have at least 50 full-time plus full-time equivalent employees?

— No →

**No penalties for small employers**

Employers with fewer than 25 employees and an average wage of up to \$50,000 may be eligible for a health insurance tax credit (only if SHOP Marketplace is used).

— Yes →

Does the employer offer "minimum essential" health insurance coverage to 95% of full-time employees?

— No →

Does at least one full-time employee receive a premium tax credit or cost-sharing subsidy on the Marketplace (Exchange)?

— Yes →

**Penalty A for not offering coverage**

A penalty of \$3,340 per year in 2026 and \$2,900 in 2025; times number of full-time employees minus 30. This penalty is not tax deductible. (In controlled group, the subtraction of 30 is prorated.)

Does the employer's insurance provide "minimum value," paying at least 60% of covered healthcare expenses for a typical population?

— No →

Employees may elect to buy coverage on the Marketplace and receive a premium tax credit.

→

**Penalty B for not offering affordable or minimum value coverage**

A penalty of \$5,010 per year in 2026 and \$4,350 in 2025 for each full-time employee receiving a tax credit, up to a maximum of the no-offer-of-coverage penalty. This penalty is not tax deductible.

→

Does the employer plan cost any employee more than 9.96% of income in 2026 (was 9.02% in 2025), based on Safe Harbor selected?

— Yes →

Those employees may elect to buy coverage on the Marketplace and receive a premium tax credit.

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**No penalty — in most cases.**

If any full-time employees who are not offered coverage receive premium tax credits on the Marketplace, the employer is subject to the \$5,010 penalty for 2026 and \$4,350 in 2025 for each of those employees.

— No →

Note: Penalty amounts are adjusted for inflation annually.

## About Alera Group

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\*STATISTICS ACCURATE AS OF MARCH 31, 2025.

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