

Health Care Legislation Status

2018 Shared Responsibility Percentage

June 15, 2017

The Affordable Care Act (ACA) has many moving parts. Not to be overlooked is the annual inflation-adjusted shift in what constitutes "affordable" health care coverage. The 2018 shared responsibility affordability percentage is the maximum share of their income that employees may be asked to pay on health plan premiums, as adjusted annually for inflation. For plan years beginning in 2018, employer-sponsored coverage will be considered affordable if an employee's required contribution for self-only coverage does not exceed **9.56 percent** of the employee's household income for the year (down from 9.69 percent in 2017).

2018 Federal Safe Harbor Percentage

Since employers do not know their employees' household incomes, the ACA created a safe harbor in which any of the following can be used in lieu of household income:

- Employee's W-2 wages
- Employee's rate of pay
- Federal poverty level (FPL)

Calendar year	Prior year federal poverty level	Affordability percentage	Maximum monthly contribution
2018	\$12,060	9.56%	\$96.08
2017	\$11,880	9.69%	\$95.93
2016	\$11,770	9.66%	\$94.75
2015	\$11,670	9.56%	\$92.97

Source: IRS Revenue Procedure 2017-36

Please contact your Oswald client team representative for further information.