

Free Rider Surcharge

Effective 7/ 1/ 2007

Pertains to employers with 11 or more employees

Employers may be assessed a surcharge of the state funded health care costs of their employees if the cost of providing care is \$50,000 or more in a hospital fiscal year.

A state funded employee is:

An employee or dependent of such employee with more than 3 state-funded admissions during a fiscal year

-Or-

An employee or dependent of an employee of an employer whose employees or dependents make 5 or more state funded visits in a fiscal year.

In order to be in compliance and avoid the surcharge an employer with 11 or more employees must:

- Enact and maintain a connector compliant section 125 plan.

Fair Share Contribution

Updated 1/ 1/ 2009

Employers may be charged up to \$295 per full time employee. In order for an employer to be in compliance they must either:

- Have 25%or more of their full time employees enrolled in their group health plan
- or-
- Offer to pay at least 33%of the premium cost for all full time employees

Employers of 50 or fewer full-time-equivalent employees (FTEs) continue to comply by passing just one of the two Fair Share compliance tests.

Employers of more than 50 FTEs, having at least 75 percent of "full-time" employees enrolled in their group health plan results in automatic compliance. Having fewer than 75%of full-time employees enrolled in the employer-sponsored plan means the employer must now pass both Fair Share compliance tests in order to avoid being subject to a financial penalty.

Fair Share Filing

The Division of Unemployment Assistance (DUA) requires some employers to complete a quarterly online Fair Share filing. For employers required to file quarterly, the 45-day Fair Share filing period follows the end of the quarter. For example, the filing time for the quarter of July through September is October 1st through November 15th. If you have questions about your organization's filing status, contact the DUA Fair Share Contribution Unit at (617) 626-6080.

Note: Employers that easily passed the Fair Share test for the quarter ending December 31, 2008 and received a waiver from the DUA, are not required to file again until the period following the quarter ending December 31, 2009. Employers may voluntarily choose to file quarterly.