

SMALL GROUP HEALTH INSURANCE

Group health insurance is about 25% more expensive per policy than individual/family health insurance.

Group insurance is most beneficial in 2017 if you need access to multiple hospital networks or to U of C and Rush. A Group PPO does that. Currently, individual/family plans offered do not.

To qualify for a small group you must have at least two entities to put on the proposal form.

- If the business is a partnership with a formal partnership agreement a group insurance plan can be put in place. It can be in place even if only one of the partners takes the insurance.
- If the business is a Sole Proprietor or LLC or S or C Corp, there must be an employer/owner and an employee who is paid a salary for whom the owner files a state quarterly wage report (IL340). The employee cannot be the spouse of the owner or a child of the owner under 26. The owner (and family) can have one policy with group coverage even if the employee doesn't take insurance.
- The employer/owner must contribute a minimum of 25% to the employees' health insurance premium. ** Blue Cross waived this requirement during a Special Small Group Enrollment period of 11/1/16-12/12/16. We don't know if they will do it again in 2017.
- Groups can be established at any time during the year.
- The entire group health insurance premium is paid by the employer/owner. It is best to speak with your business' financial advisor about how to manage your contribution and collection of premium from the employee policy holders as well as tax consequences for the business and the employee.
- Establishing a small group is a multi-step process: 1) Request Proposal to confirm the business qualifies for Small Group; 2) a census that includes genders and birthdates of all who will be offered the insurance; 3) generation of proposed plans and prices 4) signed applications from each participant; 5) Binder Payment for the first month.

Talk to your financial advisor about whether Small Group Health Insurance is right for you. We'd be happy to be part of the conversation.

Rebecca Bloomfield CLTC

rbloomfield@jpearsteinltd.com

Never Run Out of Money