

Health care reform timetable

The Health Care legislation that was passed in 2010 will affect nearly all taxpayers. The outline below contains an abbreviated listing of the tax provisions which might affect you. Most of the changes caused by this legislation are slated to take effect in future years:



Health care changes that took effect in 2010:

- Indoor tanning services must pay a 10% excise tax on services performed.
- Small employers can get a tax credit for providing health insurance for employees.
- Employer health plans are now allowed to extend coverage for children up to age 27.
- Adoption credit rules were eased substantially. The amount of credit was increased and made refundable (not limited to current tax).

Changes that took effect in 2011:

- Over-the-counter medicines will no longer be reimbursed through flex plans.
- Non-qualifying HSA/MSA distributions will be penalized at 20%.
- Drug manufacturers and importers will pay new annual fees.
- Small employers may establish “simple cafeteria plans”.

Changes that took effect in 2013:

- High earning workers will pay an additional Hospital insurance tax of 0.9%.
- High income individuals will pay a surtax on unearned income.
- The threshold for deducting medical expenses will increase.
- Annual FSA contributions will be capped at \$2,500.
- Health plans will pay an annual fee.
- Retiree drug coverage will be eliminated.
- All health plans will be charged an annual fee.

Changes taking effect in 2014:

- Individuals not having health insurance face a penalty.
- There will be a tax credit for low or moderate income families buying a qualified health plan.
- An excise tax will be imposed on health insurance providers.

Changes taking effect in 2015:

- Large employers not offering health insurance must pay a penalty.