



Eligibility Requirements for SHOP and the Small Business Tax Credit

There are specific requirements for employers to be eligible for SHOP and the small business tax credit.

Eligibility Requirements for SHOP:

Employer's business must:

- Be located in a SHOP's service area
- Have at least one eligible employee on payroll
- Have no more than 50 full-time equivalent (FTE)* employees on payroll
- Offer coverage to all full-time** employees

**Part-time workers must be counted as fractions of an FTE when determining employer size, even if part-time workers are not offered coverage.*

***Full-time is defined as working an average of 30 or more hours per week.*

Eligibility Requirements for the Small Business Tax Credit:

The small business must:

- Have an average of fewer than 25 FTE employees (based on a 40 hour work week and excluding owners, owners' family members, and seasonal employees)
- Have average annual employee wages below \$50,000
- Pay a uniform percentage (at least 50%) of the cost of each employee's health insurance
- Purchase coverage through SHOP beginning in 2014