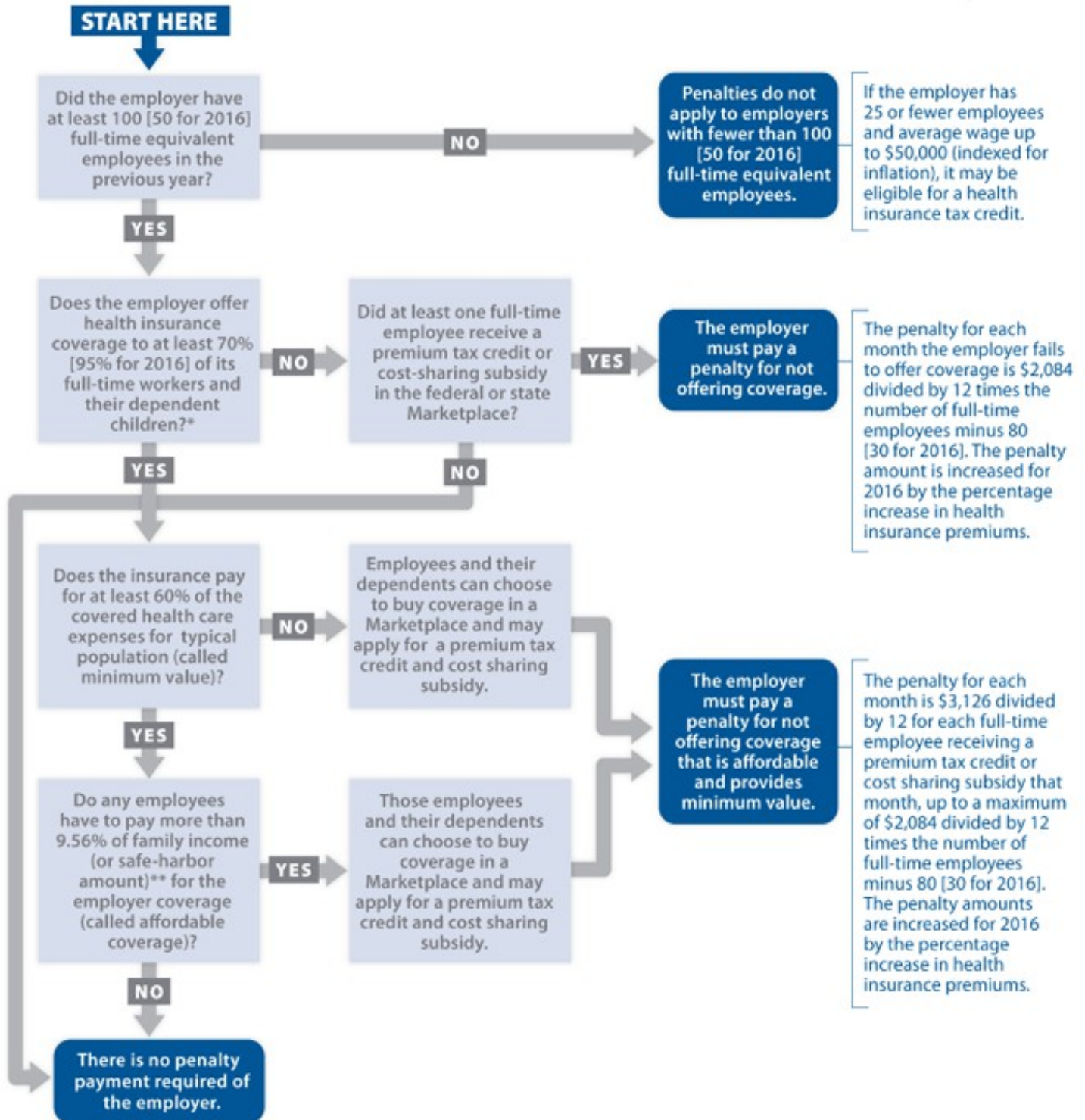


PENALTIES FOR EMPLOYERS NOT OFFERING COVERAGE UNDER THE AFFORDABLE CARE ACT DURING 2015 AND 2016

UPDATED AS OF DECEMBER 17, 2014



*A dependent is defined as a child of an employee who is under the age of 26. Employers do not face a penalty under the Affordable Care Act if they do not offer coverage to the spouse of a full-time employee.

**To determine if an employer may be subject to a penalty, they can measure the 9.5% against one of several safe-harbor amounts (the worker's wages, the employee's rate of pay at the start of the coverage period, or the federal poverty level for a single individual). A worker's and the worker's dependents eligibility for premium tax credits or cost sharing subsidies are based on family income, not the safe-harbor amounts.