

New Massachusetts Employer Medical Assistance Contribution Assessment, (EMAC)

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Many are aware that Massachusetts repealed the Fair Share Law and Health Insurance Responsibility, (HIRD) form requirement, but just as many may not be aware of the new Massachusetts Employer Medical Assistance Contribution, (EMAC) effective January 1, 2014.

Effective July 1, 2013 Massachusetts repealed the Fair Share Law, which required employers with 11 or more employees to make a "fair and reasonable premium contribution" to employees health insurance cost or pay to the Commonwealth of Massachusetts an annual fair share contribution of up to \$295 per full-time equivalent. The repeal also applies to the employee HIRD form, which employers had to collect from employees, who declined the company's health insurance or Section 125 plan to pay for the cost of coverage obtained through the Massachusetts Health Connector on a pre-tax basis. Initially, the repeal was to coincide with the implementation of the play or play provision of the Affordable Care Act, (ACA), so employers would not have a double burden of the Massachusetts Fair Share Law, (FSL) and the ACA Employer Share Responsibility requirements. The FSL and HIRD repeal remains even though many of the ACA requirements have been postponed a year.

What you may not know is starting in January 2014, Massachusetts will implement a new assessment for employers with more than five Massachusetts employees called the Employer Medical Assistance Contribution, (EMAC); EMAC applies regardless if health coverage is offered. The EMAC assessment is .36% on all wages up to the Massachusetts unemployment insurance taxable wage base, which is currently \$14,000. The new tax will cost employers around \$50 a year per employee, ($\$14,000 \times .0036$)¹. EMAC will be collected by the Massachusetts state unemployment tax system.

For more information on Massachusetts Health Care Reform, click [here](#).

As always, should you have any questions or comments, or if you want to discuss Health Care Reform fees or provisions with us in greater detail, feel free to contact any member of the [Sullivan Benefits Team](#)!

¹Employers newly subject to the rule will pay .12% in the first year and .24% in the second year.