

REFORM TOPIC SUMMARY: *Employee Free Choice Voucher*

May 17, 2010

The following is a more detailed summary of the Employee Free Choice Voucher and how it will be administered:

- Employee has a household income less than 400% of the FPL (i.e. family of four with an income of \$88k)
- Employer pays 100% of individual premium and 0% for dependents
- Employer must offer a free choice voucher if the employee's contribution to the health care premium falls between 8-9.8% (9.8% could change to 9.5%) and the employee does not enroll in the company's health plan
- The voucher must be for the amount the employer would have paid toward the employee's health plan had he/she enrolled in the company plan

Example:

- Employee premium = \$300 a month
- Family premium = \$1,000 month
- Employee enrolls in family category
- Employee's cost = \$700 month (\$1,000-\$300) / \$8,400 a year
- $\$8,400/\$88,000 = 9.5\%$ so the employer must offer a free choice voucher to the employee
- Voucher would total \$3,600 for the year

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