

## Guidance Released Regarding "Affordability" Requirement for Dependent Coverage

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The IRS issued final regulations confirming that, for purposes of determining eligibility for the premium tax credit under PPACA, coverage is considered affordable for dependents if the employee must pay not more than 9.5 percent of household income for employee-only coverage. Employers wishing to offer "affordable" coverage in order to minimize the penalty on healthcare coverage that is effective in 2014 must only ensure that the premium charged for employee-only coverage meets this 9.5 percent test. The final regulations can be found [here](#).