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OCTOBER 14 - 27, 2022

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HEALTH INSURANCE IS AN IMPORTANT EMPLOYEE RETENTION BENEFIT

The Fall brings Open Enrollment for individuals and small businesses to review, compare and enroll into individual health plans that meet the standards set forth in the Affordable Care Act (ACA).

Why is it important to buy insurance that meets the "ACA" standard? While there are policies available to individuals in Ohio that "indemnify" for expenses incurred due to illness and injury, they can be extremely variable and hard to predict potential out of pocket exposure. The Ohio code and regulators allow issuers of these policies to limit or exclude certain medical conditions, treatments and provider types. You may also be subject to balance billing from a medical provider due to insufficient



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or no contracting between the issuer and medical practitioners. Medical underwriting is also usually a factor in your acceptance which may result in denial of coverage, rate ups, excluding pre-existing conditions, policy termination or "recession" for undisclosed conditions.

ACA "qualified plans" certainly do not cover every treatment or provider you may wish to get to improve your well-being or improve your health, but they are standardized and comprehensive. They manage providers and stop loss to a level unmatched by any other group or individual health contracts other than Medicare. The ACA and its "metal level" standardization was deemed excessive and overly expensive when the policy contracts began to take shape back

in 2014. People thought that covering items such as pregnancy and other "essential" benefits in every policy were the root cause of the higher price tags relative to the system prior to ACA.

Coming into 2023, the ACA individual rates in Ohio will be less for comparable group coverage in most of our counties. There will be more ACA issuers this year in the Buckeye State market, as well as multiple hospital participation in a single plan in most metro areas. Group coverage still has the upper hand regarding participating doctors and out of network travel advantages. But the gap is closing. Smaller employer groups may utilize the Individual Coverage Health Reimbursement Arrangement (ICHRA), to secure individual policies for its employees or a class of workers.

Group benefits are an attractive tool to offer new associates and employees. The competition for qualified candidates is an issue for all employers, so offering group benefits should be a plus. For example, at the CBA all major carriers are available including group medical, life, dental, vision, disability and supplemental benefits for groups with two or more enrolled employees. The CBA group whole life is also an attractive benefit for firms with 10 or more enrolled employees. Even if group term life is available, group whole life can enhance the benefit offering with guaranteed issue, permanent, cash value coverage.

Insurance brokers in other states are again envious of the Ohio market because we have so many options available for individuals and small businesses to compare and enroll into. ■

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OHIO TAX CREDITS AND INCENTIVES FOR BUSINESSES

Strong business growth means careful planning, and investors and business owners alike should know about the various tax credits and incentives that make Ohio an attractive place to do business. The following is an overview of some cost-saving opportunities available to companies looking to expand in Ohio.

- InvestOhio. An Ohio Development Services Agency program that provides non-refundable personal income tax credits to investors who infuse new equity (cash) into Ohio small businesses to acquire an ownership interest.
- Enterprise Zones. Ohio's Enterprise Zone (EZ) program designates land areas where businesses can receive tax exemptions on eligible new investments.



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• Community Reinvestment Programs (CRAs). This tax incentive program promotes the revitalization of underdeveloped areas by offering property-tax exemptions for any increased property valuation due to new construction or the renovation of existing structures.

- Job Creation Tax Credit. Businesses that create at least ten new full-time positions at a facility in Ohio and pay a minimum of 150% of the federal minimum wage are eligible for this credit.
- Jobs Retention Tax Credit. This credit provides Ohio commercial activity tax (CAT) or state income tax credit for businesses that commit to retaining a significant number of full-time jobs.
- Training Tax Credit. Ohio gives

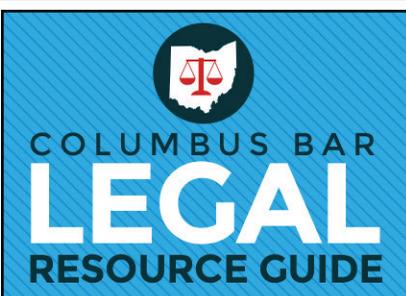
employers incentives to train current employees at risk of being displaced because of skill deficiencies or the inability to use new technologies.

- Research and Development Incentive Tax Credit. Under this program, significant tax savings are provided for companies undertaking research and development activities in Ohio by providing a non-refundable credit against the Ohio CAT liability.
- Manufacturing Machinery & Equipment Sales Tax Exemption. Sales of machinery and equipment for manufacturing activities are exempt from state and county sales tax.
- Warehouse Machinery & Equipment Sales Tax Exemption. Sales of eligible warehousing machinery and equipment are exempt from state and county sales tax.

Some of the above-described tax credits require advanced approval by state and local officials. Therefore, it is essential you talk with knowledgeable business attorneys to ensure that your enterprise can take full advantage of any incentives available to you. ■

About Andrew J. Federico

Andrew Federico has been with Carlile Patchen & Murphy LLP since 1980. Before joining the firm, he was an attorney examiner with the Ohio Department of Commerce in the Division of Securities. He has devoted his practice to general business and securities law issues throughout his career. He has practiced in the municipal finance area for over 30 years, serving as both bond counsel and underwriters counsel in over one hundred bond issuances. Andy has also served as general outside counsel for both public and private companies.



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