Healthcare After 2025: Impact on Employees & How SIMERP Helps

With the expiration of enhanced Premium Tax Credits (PTCs) at the end of 2025, many individuals and employers are concerned about rising healthcare costs. This handout compares the impact on employees with Marketplace insurance vs. Employer-provided insurance, and explains how the Self-Insured Medical Expense Reimbursement Program (SIMERP) can help.

1. Employees with Marketplace Insurance (ACA Exchange)

- Currently: Receive Premium Tax Credits (PTCs) that reduce the cost of monthly premiums.
- After 2025: Enhanced subsidies expire, meaning higher premiums for many households.
- Impact: Coverage could become less affordable for individuals and families who do not have access to employer-based insurance.

2. Employees with Employer-Provided Insurance

- Currently: Employer contributions lower costs; employees do not receive PTCs.
- After 2025: No direct impact from PTC expiration.
- Indirect Impact: Rising overall healthcare costs may put pressure on employers, potentially leading to higher employee contributions or changes in plan design.

3. How SIMERP (Self-Insured Medical Expense Reimbursement Program) Helps

- IRS- and ACA-compliant program that provides supplemental health & wellness benefits.
- Cost-neutral: Generates payroll tax (FICA) savings for employers while enhancing benefits for employees.
- Employees receive reimbursements for qualifying medical expenses at no additional cost.
- Employers typically save an average of $639.96 per W-2 employee annually.
- Helps offset rising healthcare costs and protects employees from losing value if federal subsidies expire.

Key Takeaway

The expiration of enhanced ACA Premium Tax Credits in 2025 will increase costs for Marketplace users, but employees on employer insurance will not lose subsidies. Still, rising healthcare costs affect everyone. SIMERP offers a proven, compliant, and cost-neutral way to protect both employers and employees while strengthening community institutions.