PTC vs. SIMERP: Before & After 2025

Kingdom Finance Group in partnership with **EHP – "The Employer's Choice"** offers this quick-reference handout to highlight how *Premium Tax Credits (PTCs)* compare with the *Self-Insured Medical Expense Reimbursement Program (SIMERP),* especially as ACA subsidies face uncertainty beyond 2025.

Factor	With PTCs (through 2025)	After PTC Expiration (2026+)	SIMERP (Self-Insured MERP)
Who Qualifies	Individuals buying ACA marketplace plans (income-based)	No credits available unless renewed by Congress	Employers with W-2 staff; self-employed with W-2 income
How It Works	Federal tax credit lowers ACA insurance premiums	Premiums rise (full cost paid by individual/employer)	Employer reimburses eligible medical expenses (premiums, copays, deductibles) through tax-advantaged plan
Tax Savings	Premiums reduced via federal subsidy	None (full out-of-pocket burden)	Avg. $639.96 saved per W-2 employee annually in FICA taxes (employer & employee)
Employee Impact	Lower ACA premiums, but still out-of-pocket copays & deductibles	Higher premiums and out-of-pocket expenses	Higher take-home pay + reimbursement for qualified medical expenses
Employer Impact	No direct benefit — savings go to employees only	No benefit; higher turnover risk if costs rise	Payroll tax savings + stronger retention with enhanced benefits

Compliance	IRS & ACA program rules	No program after expiration	Fully IRS- & ACA-compliant; integrates with HRIS & payroll systems
Cost to Employer	None (subsidy is federal)	None (but no savings either)	Cost-neutral — funded through payroll tax savings
Stability Beyond 2025	Dependent on Congress renewing subsidies	Uncertain / expiring	Long-term, stable, independent of federal funding

Takeaway: PTCs are temporary, political, and income based. SIMERP offered through KFG/EHP is permanent, IRS-compliant, and employer-driven. Even if federal subsidies disappear in 2026, SIMERP gives employers and self-employed individuals a tax-advantaged tool to protect budgets and enhance healthcare benefits.