

# MA SMALL BUSINESS WELLNESS TAX CREDIT

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# Agenda

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- Background on MA Wellness Tax Credit
- Tax Credit Overview
- Certification Process
- Additional Resources

# 2012 Legislation

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- **Chapter 224 of the Acts of 2012**

“An Act improving the quality of health care and reducing costs through increased transparency, efficiency and innovation.”

- The “Next Phase” of MA Health Care reform



# Chapter 224: Investing in a Healthy Future for the Commonwealth

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- Investment of **\$57 M** in community-based prevention, public health, and wellness efforts to reduce the cost of preventable chronic diseases.
- Establishes wellness tax credit for businesses that implement recognized workplace programs.
- Requires DPH to develop a Model Guide for wellness programs for businesses.

# Wellness Tax Credit

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- **Purpose**

- Encourage adoption of evidence-based workplace wellness programming by smaller businesses ( $\leq$  200 employees)

- **Details**

- Up to 25% of the costs associated with implementing a certified wellness program
- Maximum of \$10,000 per business in a fiscal year (\$40,000 of eligible expenses)
- \$15M appropriated per year

# Who Can Apply for the Tax Credit?

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- The business must offer health benefits to employees
- Sole proprietorships, professions, trades, businesses and partnerships are eligible to apply
  - 501(c)(3) organizations DO qualify as a “business” for the purpose of the wellness tax credit, but only for their unrelated business taxable income.
- ≤ 200 employees, the majority of whom work in MA
- Businesses must be in compliance with all legal obligations of employers and with all applicable labor, licensing and tax laws

# What is a Wellness Program?

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- Provides a safe workplace that protects and promotes health
- Designed to improve the health of individual employees
- Consists of eight essential components

# Certification Program Criteria

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1. Annual Budget for wellness
2. Designated Wellness Champion
3. Formal communication to all employees about the program
4. Health Risk Assessment and/or Biometric Screenings
5. Collect data on employee interests
6. Identify key health issues and/or interests
7. Programs based on key health issues\*
8. Voluntary participation of  $\geq 33\%$  of employees



# Certification Program Criteria

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Programs based on key health issues:

- Awareness/education
- Encouraging individual behavior change
- Supportive Environment

# Awareness/Education

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- Information sessions on health insurance benefits
- Community programs on health topics
- Signage encourage healthy behaviors, i.e., healthy vending, stair use, etc.
- Educational classes offered on company time
- Brochures, videos, posters

# Behavior Change

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- Subsidized gym memberships or weight control programs
- Tobacco cessation programs
- Free or subsidized health screenings at the workplace
- Lifestyle coaching
- Incentives for participation

# Supportive Environment

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- Reduced health care premiums
- Work time for participation in wellness activities
- Tobacco use policies
- Employee Assistance Programs (EAP)
- Manager training on supportive behaviors for health, stress, work/life
- Healthy food choices
- Equipment to reduce ergonomic hazards

# How Do I Apply for the Tax Credit?

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- Apply online at: [www.mass.gov/welnesstaxcredit](http://www.mass.gov/welnesstaxcredit)
- DPH certifies that a wellness program meets eligibility criteria
- Immediate notice of denial if program did not meet eligibility criteria
- All other applications go into a pending status
- Programmatic review
- Labor law compliance review (Executive Office of Labor and Workforce Development)
- Applications processed within 60 days, then approval or denial is issued
- Employer then files the certificate number with their tax return

# Tax Credit Summary

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## 2013

- 34 businesses approved
- 65% of approved businesses were <100 employees
- Total Credit Approved: \$243,869.54

## 2014

- 27 businesses approved
- 61% of approved businesses were <100 employees
- \$206,703.34

**Top 3 Industries Represented:** Professional services, Finance and insurance, Manufacturing



# Additional Information

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Wellness Tax Credit Email: [DPHWellness.taxcredit@state.ma.us](mailto:DPHWellness.taxcredit@state.ma.us)

Wellness Tax Credit Website: [www.mass.gov/wellnesstaxcredit](http://www.mass.gov/wellnesstaxcredit)

- Includes eligibility criteria
- Link to application
- Model Wellness Guide

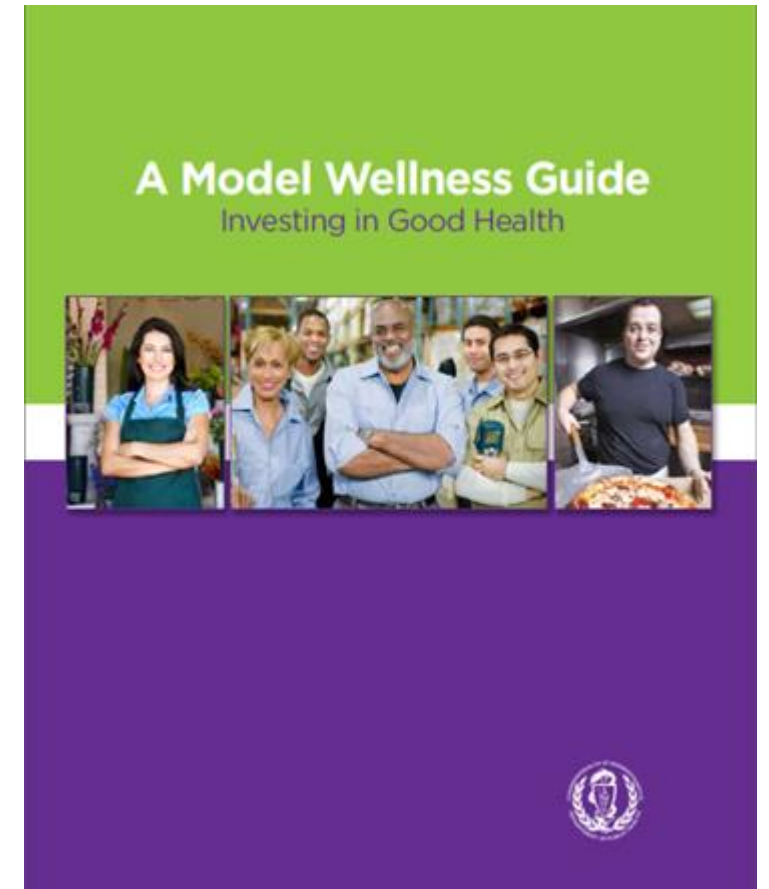
# ADDITIONAL RESOURCES

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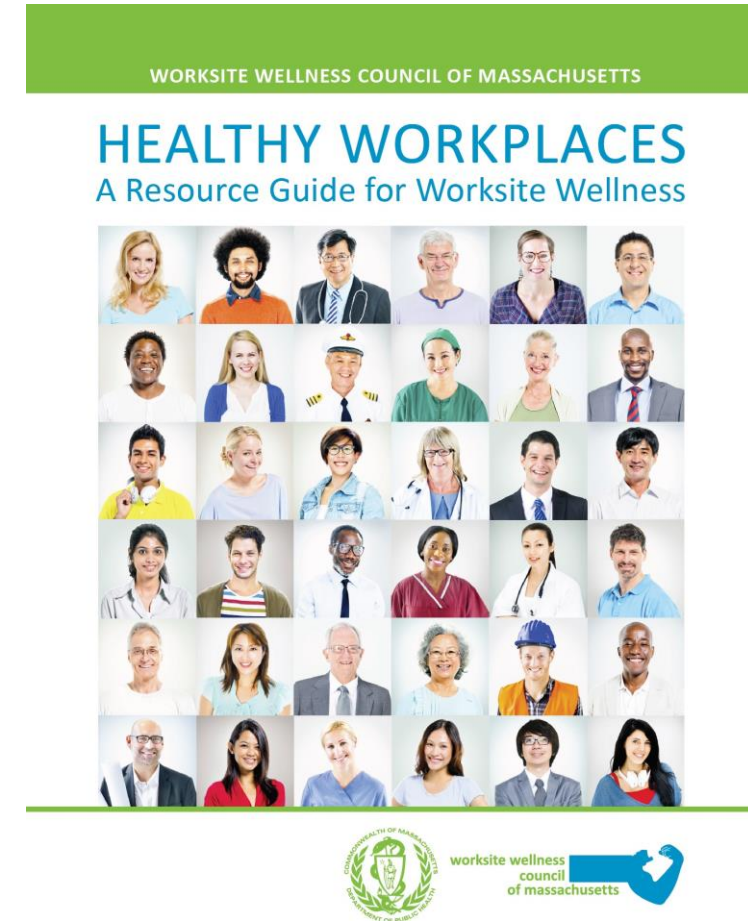
# Model Wellness Guide

- Guide for employers developing worksite wellness programs.
- Divided into three sections:
  1. Importance of healthy lifestyles in preventing and controlling chronic diseases
  2. Evidence-based interventions and best practices for developing worksite wellness programs
  3. General resources on wellness and detailed resources for employers
- Available at: [www.mass.gov/wellnesstaxcredit](http://www.mass.gov/wellnesstaxcredit)



# Healthy Workplaces Resource Guide

- Produced in collaboration with the Worksite Wellness Council of MA
- Updated annually
- Extensive list of free resources for developing and improving wellness programs
- Available at: [www.wwcma.org/?page=ResourceGuide](http://www.wwcma.org/?page=ResourceGuide)  
Or [www.wwcma.org](http://www.wwcma.org) (click on “resources” then “resource guide”)



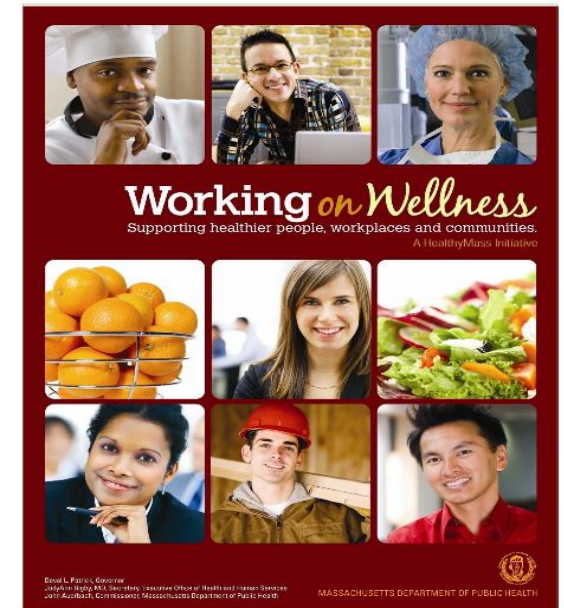
# Working on Wellness Toolkit

- Guides you through an evidence-based 7-step process for developing an infrastructure of wellness at your workplace (Last updated 2011)
- Available at:

[www.mass.gov/eohhs/gov/departments/dph/programs/community-health/mass-in-motion/work/wellness-program/](http://www.mass.gov/eohhs/gov/departments/dph/programs/community-health/mass-in-motion/work/wellness-program/)

or

[www.mass.gov/massinmotion](http://www.mass.gov/massinmotion) then “work” then “working on wellness program”



# Smoke-Free Toolkit

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- Developed by Massachusetts Tobacco Cessation & Prevention
- Best practices and resources for employers looking to go tobacco-free
- Available at:

[www.mass.gov/eohhs/docs/dph/tobacco-control/employers-toolkit.pdf](http://www.mass.gov/eohhs/docs/dph/tobacco-control/employers-toolkit.pdf)

# Working on Wellness

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- **New training and capacity building program for Massachusetts employers** offered by DPH and funded by the Prevention & Wellness Trust Fund.
- Working on Wellness is implemented by Health Resources in Action, a MA non-profit public health organization and AdvancingWellness, a MA worksite wellness service company.
- Being evaluated by researchers from UMass Lowell and UMass Medical



MASSACHUSETTS  
**WORKING *on***  
**WELLNESS**  
*Partnering for a healthy workforce*

# Working on Wellness Cont.

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- **Goal:** Help Massachusetts employers successfully implement comprehensive, evidence-based worksite health initiatives that create a supportive work environment that enables employees to engage in healthy behaviors.
- **Key Program Elements:** training, technical assistance, support resources, community linkages, monitoring/evaluation, seed funding, and participation in a best practices forum.

# Who can apply?

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- A Massachusetts for-profit, non-profit corporation or government entity
- Offer health insurance benefits to your employees.
- Businesses must be in compliance with all legal obligations of employers including, but not limited to, those enumerated in Massachusetts General Laws (MGL), chapter 149, and with all applicable labor, licensing and tax laws.
- Do **not** currently have a wellness program.
- Have **not** applied and successfully received a seal of approval for their wellness program under the Massachusetts Small Business Tax Credit incentive program.

# For More Information on Working on Wellness

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- Visit the Working on Wellness website: [www.maWOW.org](http://www.maWOW.org)
- Sign up and attend an informational webinar (required prior to applying)
- Complete an online application by September 20<sup>th</sup>



# Questions



Thank you!

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