Exhibit 3
DATE 4-4-05
BILL NO. HB 667

COMPARISON OF HB 667 EMPLOYER TAX CREDITS

EMPLOYER PREMIUM INCENTIVES AND EMPLOYEE PREMIUM ASSISTANCE PAYMENTS

EMPLOYER TAX CREDITS

Description: Provides a refundable state income tax credit to employers who currently pay some or all of the cost of group health insurance for their employees. Also provides additional Tax Credits when employers pay for insurance for the employee's spouse or their dependants. Approximately 40% of the $11.5 million per year in the funding for HB667 is designated to the Employer Tax Credit. The funds for tax credits will be distributed on a first come, first served basis until the money is fully allocated.

Employer Qualifications: In order to qualify for an Employer Tax Credit the employer must meet all the following criteria:

1. The employer already provides employee health insurance;
2. The employer has a number of employees that meets the eligibility criteria established by the State Auditor's Office (between 2–9 employees);
3. The tax credit cannot be more than 50% of premiums paid;
4. No employee is paid more than $75,000 per year (owner excluded).

Tax Credit Amounts: The following are the tax credits that may be claimed under HB 667 for each eligible employee, their spouse and their dependants (See Attachment "A"):

	Employee Only	Employee's Spouse	Employee's Dependants
Employer Tax Credit:	$100/month	$100/month	$40/month

Notes: Employers may claim tax credits for up to two dependants per employee, in addition to the spouse. If the average age of an employer's employees is 45 or older, the tax credit for an employee rises to $125.00.

Example - Tax Credits for an Employer with Four Eligible Employees: The following example shows the amount of the monthly Employer Tax Credits for an employer who is claiming four eligible employees, each of whom has a different type of insurance coverage (See Attachment "B"):

Employees:	#1	#2	#3	#4	
Coverage:	Employee Only	Employee + Spouse	Employee + 2 Kids	Employee + Spouse + 2 Kids	Employer's Total Tax Credit
Tax Credit:	$100/month	$200/month	$180/month	$280/month	$760/month

PREMIUM ASSISTANCE AND INCENTIVE PAYMENTS

Description: Provides a monthly assistance payment to an eligible employee, and an incentive payment to their employer, to assist in paying the cost of an employee's health insurance when the employer has not offered insurance in the past, but begins to do so through the new State Health Insurance Purchasing Pool created by HB 667, or through a qualified Association Plan. About 60% of the $11.5 million in funding is designated to make these Employee Assistance Payments and Employer Premium Incentive. The funds will be distributed on a first come, first served basis. The size of each employee's Premium Assistance Payment will vary with income, based on a formula established by the Purchasing Pool Board of Directors.

Employer/Employee Qualifications: To qualify for Premium Incentive and Assistance Payments employers and employees must meet the following criteria

1. The employer does not currently provide employee health insurance;
2. The employer has a number of employees that meets the eligibility criteria established by the State Auditor's Office (between 2 – 9 employees);
3. The employer begins to provide health insurance through the new State Health Insurance Purchasing Pool or another qualified Association Plan;
4. No employee is paid more than $75,000 per year (owner excluded);
5. The employer provides health insurance to eligible employees as defined by the State Purchasing Pool Board of Directors; and
6. Employees meet the income and other eligibility criteria established by the Board of Directors of the Purchasing Pool.

Example – Premium Assistance/Incentive Payments for an Employer with Four Eligible Employees: The following example shows the amount of the monthly Employee Premium Assistance Payments and the monthly Employer Premium Incentive Payments, for an employer with four eligible employees, each of whom has a different type of coverage. In the example below the Premium Assistance Payments are equal to 90% of the employee's share of the monthly insurance premium (See Attachment "B").

Employees:	#1	#2	#3	#4	
Coverages:	Employee Only	Employee + Spouse	Employee + 2 Kids	Employee + Spouse + 2 Kids	Total
Prem. Incentive:	$100/mon.	$200/mon.	$180/mon.	$280/mon.	$760/mon.
Prem. Assistance:	$43/mon.*	$111/mon.*	$146/mon.*	$146/mon.*	NA