Employer Shared Responsibility Chapter 4

Employers Subject

Employers who employed an average of 50+ fulltime employees on business days during the preceding calendar year

FT = 30 HPW avg.

All FT and PT employees must be counted on a fulltime equivalent basis to determine size of employer

$$\frac{\text{Mo. hrs. of PT}}{120}$$
 = FT Equiv

Certain seasonal workers are not counted in this calculation

Employer

Shared

Responsibility

In determining eligibility. employer must apply "controlled group" and "affiliated service group" rules under Internal Revenue Code subsidiaries and affiliated companies may need to be combined

Two Different (But Similar) Terms!

Essential Health Benefits Coverage

Coverage that includes items and services within the ten categories listed on page 11. "Qualified Health Plans" offered through a state Exchange-must offer an "essential health benefits package." Non-grandfathered plans in the small group market (both inside and outside of the Exchanges) must offer essential health benefits beginning in 2014.* Grandfathered plans, self-insured group health plans, and health insurance coverage offered in the large group market are not required to offer essential health benefits.

→ Minimum Essential Coverage

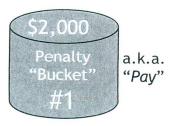
Coverage under any of the following:

- Government-sponsored program, including coverage under Medicare Part A, Medicaid, the CHIP program, and TRICARE
- "Eligible employer-sponsored plan"
- Health plan offered in the individual market
- Grandfathered health plan
- Other health benefits coverage (such as a State health benefits risk pool) as HHS recognizes.

Penalties

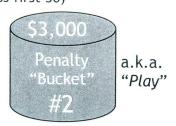
If "minimum essential coverage" is NOT offered to FT employees AND any FT employee enrolls in Exchange plan and receives premium assistance from federal government:

\$2,000 annually for each FT employee (first 30 free)



If "minimum essential coverage" IS offered to FT employees **BUT** any FT employee enrolls in Exchange plan and receives premium assistance from federal government:

\$3,000 annually (\$250 per month) for each FT employee receiving premium assistance. capped at amount equal to \$2,000 for all FT employees (less first 30)



Penalties are assessed monthly

No penalties apply to PT employees

Exchange notifies employer that FT employee is eligible for tax credit