



## How do I know if I have to comply with the Employer Shared Responsibility mandate in 2015?

- You have a combination of 100 or more full-time employees and FTEs

## How do I determine if I have 100 or more full-time employees or FTEs?

- Full-Time Employees** – A full-time (FT) employee averages 30 or more hours of service each week. Use 130 hours of service in a calendar month as the monthly equivalent of 30 hours of service per week.
- Part-Time Employees** – Hours worked by employees with fewer than 30 hours per week must be counted – and divided by 120 per month – to determine the number of full-time equivalent (FTE) employees. The number of FTEs is then added to the actual full-time employee count.
- You can use **ANY SIX** consecutive months during 2014 to determine your FTEs.

*EXAMPLE:* From May 1-Nov. 1, 2014, you average 10 employees who work 25 hours per week  
 $25 \text{ hrs} \times 10 \text{ employees} = 250 \text{ hrs}$  |  $250 \text{ hrs} \times 4 \text{ weeks per month} = 1000 \text{ hrs per month} / 120 = 8 \text{ FTEs}$   
So, if you have **92** full-time employees and **8** FTEs, you hit that **100** mark.

## How do I know if I meet the Employer Shared Responsibility mandate in 2015?

- You *offer* health care coverage to at least **70%** of your employees and dependents (*spouses are not dependents*)
- You *offer* health care coverage with an accepted minimum value  
(Percentage of costs of covered services is at least **60%** of the expected cost)
- The health care coverage you offer is considered affordable  
(Employee contribution to premium is **9.5%** or less of household income {SEE AFFORDABILITY REFERENCE SHEET})

## What are the penalties if I don't meet the Employer Shared Responsibility mandate in 2015?

- If you choose not to offer coverage to any employees, you will pay **\$2,000** annually per employee.
- If you offer coverage but any of your employees are verified to receive a subsidy in the marketplace because the coverage you offered was not considered affordable or does not meet the required minimum value, you will pay **\$3,000** annually per employee receiving a subsidy.
- The IRS will send a notice demanding payment.
- Penalties are calculated and assessed monthly (**\$2,000 = \$166.67/month**, **\$3,000 = \$250/month**). The maximum penalty is the lesser of the two penalties. Penalties are expected to increase yearly by the percentage growth in insurance premiums.

Non-calendar-year plans, like **Health+**, must comply at **start of plan year (i.e. May 1, 2015)**, NOT Jan. 1, IF:

- Maintained non-calendar-year plan before Dec. 27, 2012
- Did not modify plan year after Dec. 27, 2012
- Did not change eligibility rules after Feb. 9, 2014