

Anchin Compensation and Benefits Services Group

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Important: Monitor Your 2015 Employee Headcount Carefully!
The number of full-time personnel your company employs determines which ACA provisions apply.

To our Clients and Friends:

The Patient Protection and Affordable Care Act of 2010 (“ACA”) is complex legislation that affects a large percentage of employers throughout the country. Depending on employee headcount, employers may be subject to all ACA provisions, just some of them, or none at all. Different levels of headcount can trigger the requirement to offer designated levels of medical coverage to avoid facing substantial penalties, the applicability of certain reporting requirements, the need to establish an automatic enrollment system, and more.

How do you calculate the number of full-time employees? Generally you must include:

- Persons averaging at least 30 hours of service per week, or 130 hours per calendar month
- “Full-time equivalent” employees, using a base of 120 hours per month. For example, two employees each averaging 60 hours per month equals one full-time equivalent employee
- Independent contractors, if subject to the will and control of the employer with regard to when, how, and what work shall be done
- Employees within your company’s “controlled group” (related companies with common ownership)
- Leased employees, and in some cases temporary and seasonal employees must be counted

Is anyone excluded?

- Sole proprietors, partners in a partnership, Subchapter-S corporation shareholders with at least a 2% ownership interest, and employees who are located outside of the US.

Action plan: Do not delay! You should act now to establish a system to monitor and record employee headcount on a monthly basis using the guidelines above. Certain determinations of coverage, tax reporting and payments for 2016 will be based upon headcounts and employee status from 2015. Anchin has specialists that can assist you with this process and answer your ACA questions.

For more information, please contact your Anchin Relationship Partner or Deborah deVries, Co-Practice Leader of Anchin’s Compensation and Benefits Services Group, at 212.840.3456.

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