

What Employers Need to Know about the Affordable Care Act

The health care law contains tax provisions that affect employers. The size and structure of a workforce – small or large – helps determine which parts of the law apply to which employers. Calculating the number of employees is especially important for employers that have close to 50 employees or whose work force fluctuates during the year

The number of employees an employer has during the current year determines whether it is an applicable large employer for the following year. Applicable large employers are generally those with 50 or more full-time employees or full-time equivalent employees. Under the employer shared responsibility provision, ALEs are required to offer their full-time employees and dependents affordable coverage that provides minimum value. Employers with fewer than 50 full-time or full-time equivalent employees are not applicable large employers.