



True or False? Health Reform Quiz for Employers

Q: I don't have 50 full-time employees, so I don't need to comply with the Employer Shared Responsibility provisions.

A: False. An employer who employs at least 50 full-time **or** a combination of full-time and part-time employees that equals at least 50 must comply with the Employer Shared Responsibility provisions. For example, 40 full-time employees employed 30 or more hours per week on average plus 20 half-time employees employed 15 hours per week on average are equivalent to 50 full-time employees.

Employers will determine each year, based on their current number of employees, whether they will be considered a large employer for the next year. For example, if an employer has at least 50 full-time employees (including full-time equivalents) for 2013, it will be subject to the Employer Shared Responsibility provisions for 2014.

Q: I own several companies all of which have fewer than 50 employees. I am not considered a large employer subject to the Employer Shared Responsibility provisions.

A: False. If two or more companies have a common owner or are otherwise related, generally they are combined together for purposes of determining whether or not they employ at least 50 full-time employees (or an equivalent combination of full-time and part-time employees). If the combined total meets the threshold, then each separate company is subject to the Employer Shared Responsibility provisions.

Q: My company currently offers a medical plan to all full-time employees (more than 50). Therefore, there is nothing more I need to do.

A: False. One of the things to do is make sure the medical plan meets the minimum package of benefits determined by the Affordable Care Act. Failure to comply will lead to employer penalties. If you offer coverage to full-time employees, but the employee's contribution exceeds a defined percentage of their income and at least one employee uses a premium tax credit to access coverage on the exchange, other penalties apply.



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- Q:** My state will have an exchange operated jointly by the state and federal government. Therefore, the state or federal government will be informing my employees about the availability of the exchange in our state.
- A:** False. Employers are required to serve as a source of information for their employees. Employers must inform employees in late summer or early fall of 2013 about the existence of the exchange in their state, how employees can access it, as well as information on premium tax credits, etc. A specific timeframe for notifying employees and model notices are expected to be provided.
- Q:** I have 65 employees which requires my company to report the cost of health insurance coverage on employees' W-2 forms for the 2012 tax year.
- A:** False. The IRS has provided relief to employers who issue fewer than 250 W-2 forms in the previous calendar year and those employers do not have to report health care costs on 2012 W-2 forms. Employer reporting obligations are optional for this employer size category.