



HCTT-2015-32: Find out how ACA affects Employers with 50 or more Employees

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Find out how ACA affects Employers with 50 or more Employees

Some of the provisions of the Affordable Care Act, or health care law, apply only to large employers, which are generally those with 50 or more full-time equivalent employees. These employers are considered applicable large employers – also known as ALEs – and are subject to the employer shared responsibility provisions and the annual [employer information return provisions](#). For example, in 2016 applicable large employers will have annual reporting responsibilities concerning whether and what health insurance they offered in 2015 to their full-time employees.

All employers, regardless of size, that provide self-insured health coverage must [file an annual return](#) reporting certain information for individuals they cover. The first returns are due to be filed in 2016 for the year 2015.

Effective for calendar year 2015, ALEs with 100 or more full-time or

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full-time equivalent employees will be subject to the [employer shared responsibility provision](#) and therefore may have to make a shared responsibility payment. This applies to employers that do not offer adequate, affordable coverage to their full-time employees and one or more of those employees get a premium tax credit. The employer shared responsibility provisions will be phased in for smaller ALEs from 2015 to 2016.

Calculating the number of employees is especially important for employers that have close to 50 employees or whose workforce fluctuates throughout the year. To determine its workforce size for a year an employer adds its total number of full-time employees for each month of the prior calendar year to the total number of full-time equivalent employees for each calendar month of the prior calendar year and divides that total number by 12.

Employers with more than 50 cannot purchase health insurance coverage for its employees through the Small Business Health Options Program – better known as the [SHOP Marketplace](#). However, Employers that have exactly 50 employees can purchase coverage for their employees through the SHOP.

For more information, visit our [Determining if an Employer is an Applicable Large Employer page](#) on IRS.gov/aca.

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