



# HCTT-2015-46, What Employers Need to Know about the Affordable Care Act

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**Issue Number: HCTT-2015-46**

## Inside This Issue

### 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.

For more information on these and other ACA tax provisions, visit [IRS.gov/aca](#).

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### SHOP Marketplace Eligibility

• Employers with fewer than 50 employees can purchase insurance through the [Small Business Health Options Program \(SHOP\) Marketplace](#).

### Information Reporting – [Self-Insured Employers](#)

- All employers, regardless of size, that provide self-insured health coverage must file an annual return for individuals they cover, and provide a statement to responsible individuals.
- The first information reporting returns are due to be filed in 2016 for 2015.

### Credits

• Employers may be eligible for the [small business health care tax credit](#) if they:

1. cover at least 50 percent of employees' premium costs
2. have fewer than 25 full-time equivalent employees with average annual wages of less than \$50,000
3. purchase their coverage through the Small Business Health Options Program.

• Employers with fewer than 50 full-time employees or full-time equivalent employees are not subject to the employer shared responsibility provisions.

### SHOP Marketplace Eligibility

• Employers with exactly 50 employees can purchase insurance through the Small Business Health Options Program (SHOP) Marketplace.

### Information Reporting

• All employers including applicable large employers that **provide** self-insured health coverage must [file an annual return](#) for individuals they cover, and provide a statement to responsible individuals.

• Applicable large employers must [file an annual return](#) – and provide a statement to each full-time employee – reporting whether they **offered** health insurance, and if so, what insurance they offered their employees.

• The first information reporting returns are due to be filed and furnished in 2016 for 2015.

### Payments

• In general, an applicable large employer will be subject to a payment if the employer does not offer [affordable coverage that provides "minimum value](#) to its full-time employees and their dependents, and one or more full-time employees gets a premium tax credit.

• Various forms of [transition relief](#) are available for 2015, including for applicable large employers with fewer than 100 full-time employees, including full-time equivalent employees. Full details are available in the transition relief section of the employer shared responsibility questions and answers page

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