

Affordable Care Act:

What employers need to know



Affordable Care Act Employers



The health care law contains tax provisions that affect employers. The number of employees an employer has during the current year determines whether it is an applicable large employer for the following year and which parts of the law apply to which employers.

- Applicable large employers are generally those with 50 or more full-time employees, including full-time equivalent employees.
- Employers with fewer than 50 full-time employees, including FTE employees, are not applicable large employers.

Fewer than 50 employees	50 or more employees
<p>Information Reporting</p> <ul style="list-style-type: none"> • All employers, regardless of size, that provide self-insured health coverage must file information returns with the IRS about individuals they cover and furnish a statement to employees about the coverage provided. If health coverage is provided through an insurance policy, the issuer files the return and furnishes the statement. • The first information reporting returns are due to be filed and furnished in 2016 for 2015. 	<p>Information Reporting</p> <ul style="list-style-type: none"> • Applicable large employers must file information returns with the IRS about the coverage they offered and furnish a statement to employees about the health coverage offered. If applicable large employers provide self-insured coverage, the employer also includes information about covered individuals on the information return. • The first information reporting returns are due to be filed and furnished in 2016 for 2015.
<p>Payments</p> <ul style="list-style-type: none"> • Employers with fewer than 50 full-time employees, including FTEs, are not subject to the employer shared responsibility provisions. 	<p>Payments</p> <ul style="list-style-type: none"> • Applicable large employers are subject to the employer shared responsibility provisions. Various forms of transition relief are available for 2015, including for applicable large employers with fewer than 100 full-time employees, including FTEs. • In general, applicable large employers are 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 at least one full-time employee gets a premium tax credit.
<p>SHOP Eligibility</p> <ul style="list-style-type: none"> • Employers can purchase insurance through the Small Business Health Options Program Marketplace. 	<p>SHOP Eligibility</p> <ul style="list-style-type: none"> • Employers with 100 or fewer employees, including FTEs, in 2016 can purchase insurance through the Small Business Health Options Program Marketplace.
<p>Credits</p> <p>Employers may be eligible for the small business health care tax credit if they:</p> <ol style="list-style-type: none"> 1. cover at least 50% of employees' premium costs, 2. have fewer than 25 FTEs with average annual wages of less than \$50,000, and 3. purchase their coverage through the Small Business Health Options Program Marketplace. 	<p>Find out more about the tax provisions of the Affordable Care Act at IRS.gov/aca.</p>