

Final Regulations on Employer “Play or Pay” Mandate were released by the IRS and there will be some transition relief to small employers. The Affordable Care Act (ACA) had required certain sized businesses offer health coverage to its employees. With some employers struggling through the transition, those with 50-100 employees will get some relief.

Changes for 2015 include a change stating rules requiring employers to provide health care benefits will only apply to those employers with 100 or more full-time employees. Those in the 50-100 range will need to certify eligibility for this transition relief, including not reducing workforce to qualify and maintaining previously offered coverage. To avoid a penalty in 2015, employers subject to the mandate must offer coverage to 70% of their full-time employees.

Beginning in 2016, rules will apply to employers with 50 or more full-time employees. To avoid a 2016 penalty, employers must offer coverage to 95% of their full-time employees.

Employee category definitions have also been finalized. Volunteers, seasonal employees working six or less months of the year and student work study workers will not be considered as full-time employees. Educational employees will be considered as full-time regardless of their limited summer schedules. Adjunct University faculty will be determined as full or part-time by a formula of $2\frac{1}{4}$ hours of service per week per hour of teaching or classroom time. For example, an Adjunct Professor who teaches three classes at 3 hours per class ($3 \times 3=9$, $9 \times 2\frac{1}{4}=20.25$ hours) would accumulate 20.25 ‘hours’ and would be considered as part-time.