

ACA Tips for Employers With Fewer Than 50 Employees

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IRS Provides Information on How Certain ACA Provisions Affect Small Employers

The Internal Revenue Service (IRS) is reminding small employers about key provisions of the Affordable Care Act (ACA) which may or may not apply to them:

- **"Pay or Play" Provisions Do Not Apply:** If an employer has **fewer than 50 full-time employees**, including full-time equivalent employees (FTEs), **on average** during the prior year, the employer is not considered an applicable large employer (ALE) for the current calendar year and is therefore not subject to the ACA's [employer shared responsibility provisions](#) for the current year. Calculating the number of employees is especially important for employers that have **close to 50 employees** or whose **workforce fluctuates throughout the year**.
- **Information Reporting Requirements May Apply:** Employers that provide **self-insured health coverage (regardless of size)** must file an information return reporting [certain information](#) for individuals they cover. These employers should have provided the 2015 Forms 1095-B to their employees by **March 31, 2016**. The deadline for sending Forms 1094-B and 1095-B to the IRS is **May 31, 2016** (or **June 30, 2016** if filing electronically).
- **Small Business Health Options Program May Be Available:** Employers with **50 or fewer employees** can purchase health insurance coverage for their employees through the Small Business Health Options Program—better known as the SHOP Marketplace—if they meet [certain eligibility requirements](#).
- **Small Business Health Care Tax Credit May Be Available:** Employers that have **fewer than 25 full-time equivalent employees** with average annual wages of less than \$51,600 for tax year 2015 and \$51,800 for tax year 2016 may be eligible for the [small business health care tax credit](#) if they cover **at least 50%** of their full-time employees' premium costs and generally if they purchase coverage through the SHOP Marketplace.

Visit the IRS webpage on [Determining if an Employer is an Applicable Large Employer](#) for more information related to employer size.