

## VEHI Update - Newly Eligible Employees

Under the Affordable Care Act (ACA), Employees of “large employers” who work or can reasonably expect to work 30 hours or more per week during the school year must be offered affordable health coverage under the ACA.

Large employers are defined under the ACA as one that employs an average of at least 50 full-time employees, including full-time equivalent employees. This determination is made retrospectively (e.g., employees are counted in 2014 to determine applicable large employer status in 2015). For assistance in making this determination, please see the FTE Calculator tool on the [vehi.org](http://vehi.org) website. If an employer is considered large, you must offer coverage to the full-time employees or be subject to a potential penalty.

Small employers, those determined to have less than 50 full-time equivalent employees, are not subject to the employer shared responsibility provisions of PPACA and are not required to offer coverage to all full-time employees under PPACA. Small employers can maintain their current eligibility provisions and not be subject to an employer shared responsibility penalty.

On the other hand, large employers could be subject to penalties for failing to offer coverage to employees who work or can reasonably be expected to work 30 or more hours per week during the school year. How should Vermont Schools respond?

Review your contracts, agreements and practices to determine your current standard for providing health benefits.

- If you do not currently offer employees working 30 hours per week health coverage, you must do so as of 1/1/15 to avoid any federal penalty.
- You should offer them the same coverage and the same premium share as you currently offer the classification they are most alike. For example, if you offer coverage to employees working 32 hours and you currently contribute 70% to their choice of a single, family or two-person plan, you should make this same offer to those employees working 30 -32 hours per week.

Remember, that taking the above steps will allow you to comply with the ACA requirement that you offer coverage to those employees who work, or can reasonably expect to work 30 hours or more a week during the school year. Whether that coverage is affordable will depend on the employee’s household income.