

Chamber Choice



Health Care Reform is upon us, and employers are faced with questions concerning the Patient Protection and Affordable Care Act (PPACA) and its impact on their business and employees.

As a premier insurance broker and consultant, JRG Advisors, the management company for ChamberChoice, continues to monitor the progress of Health Care Reform and its implementation. Many of the PPACA regulations are determined by employer size. However, the definition of what makes a company large or small is not cut and dry.

Am I considered a large or small employer?

According to PPACA, a “large” employer has an average of at least 50 full-time equivalent employees on business days during the previous calendar year. All employees including full-time, part-time, and seasonal employees must be included in the calculation. Sole proprietors, partners in a partnership, and 2% S corporation shareholders are not considered employees.

For help determining your employer size, complete the enclosed calculation and contact a ChamberChoice representative at **1-800-377-3539**. We will help you understand the impact on your business, recommend actions required for your company to be compliant with PPACA, and review insurance coverage and premium options.

Step 1 *Calculating full-time employees*

Full-time employees are those working 30 or more hours per week. For each calendar month, add together the number of employees who worked an average of 30 or more hours to get a total of full-time employees for the calendar year.

ABC Company			Your Business		
<i>Number of employees who worked 30 or more hours each calendar month</i>			<i>Number of employees who worked 30 or more hours each calendar month</i>		
January		37	January		_____
February		35	February		_____
March		38	March		_____
April		39	April		_____
May		37	May		_____
June		36	June		_____
July		38	July		_____
August		34	August		_____
September		34	September		_____
October		36	October		_____
November		37	November		_____
December		36	December		_____
<i>Total number of full-time employees for calendar year</i>		437	<i>Total number of full-time employees for calendar year</i>		_____

Step 2 *Calculating full-time equivalent employees*

The number of full-time employees can be found by taking the number of hours worked for all employees, including seasonal employees, who worked less than an average of 30 hours per week for that month and dividing the total hours worked by 120. This should be done for each month, keeping fractions in the equation (for example, 10.5). Add together the full-time equivalents for each calendar month to get a total of full-time equivalent employees for the calendar year.

ABC Company					Your Business				
	Total hours of non-full-time employees	Divide by 120	=	Monthly full-time equivalent		Total hours of non-full-time employees	Divide by 120	=	Monthly full-time equivalent
January	1536	/ 120	=	12.8	January	_____ / 120	=	_____	
February	1728	/ 120	=	14.8	February	_____ / 120	=	_____	
March	2016	/ 120	=	16.8	March	_____ / 120	=	_____	
April	1716	/ 120	=	14.3	April	_____ / 120	=	_____	
May	1742	/ 120	=	12.8	May	_____ / 120	=	_____	
June	1560	/ 120	=	14.5	June	_____ / 120	=	_____	
July	1632	/ 120	=	12.8	July	_____ / 120	=	_____	
August	1721	/ 120	=	13.6	August	_____ / 120	=	_____	
September	1726	/ 120	=	12.8	September	_____ / 120	=	_____	
October	1565	/ 120	=	14.4	October	_____ / 120	=	_____	
November	1630	/ 120	=	13.6	November	_____ / 120	=	_____	
December	1826	/ 120	=	15.2	December	_____ / 120	=	_____	
<i>Total number of full-time equivalent employees for calendar year</i>				168	<i>Total number of full-time equivalent employees for calendar year</i>				_____

Step 3 *Calculating the number of full-time employees and equivalents*

Add the totals from the two groups (full-time employees and full-time equivalents) and divide this number by the number of months. This will give the total of full-time employees and equivalents used to determine group size. Fractions would be rounded down (for example, 49.9 would be 49 employees).

In 2014, an employer can make this determination by referencing a period of at least six consecutive calendar months in the 2013 calendar year.

For example, ABC Company has averaged 36 full-time employees (30+ hours) for the past year. In addition, the store used part-time employees during busy sales seasons. Under PPACA, ABC Company is considered a large employer.

ABC Company		Your Business	
Number of full-time employees for calendar year	437	Number of full-time employees for calendar year	_____
Number of part-time and seasonal employees for calendar year	168	Number of part-time and seasonal employees for calendar year	_____
Total of employees	605	Total of employees	_____
Divided the total number of employees by 12	605/12 =50.4	Divided the total number of employees by 12	_____
Average monthly number of employees	50	Average monthly number of employees	_____

**The information on employer size is based on proposed information as found on the Federal Register as of March 1, 2013 and is subject to change.*

We encourage all businesses with 50 or more full-time equivalent employees to complete and return our PPACA questionnaire for a complete compliance review to ensure they remain compliant under Health Care Reform. To access the questionnaire, visit www.jrgadvisors.net/HCR.