

Farm Information Resource Management (FIRM) Team, Michigan State University Extension

Snapshot Analysis of Step 1: Determination of Employer’s Number of Employees under ACA

Step 1 of the ACA requires an employer to determine the number of employees. This snapshot is designed to provide an approximation for management and planning purposes. Users should consult Tables 1 and 4 for complete details.

Key Question 1: What was your number of **full-time** paid employees (full-time = 30 hours or more per week) for each month during the preceding year?

Row 1:

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

Key Question 2: What was your total number of hours worked each month by **part-time** paid employees for each month during the preceding year?

Row 2:

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

Row 3: Divide the number entered in Row 2 for each month by 120:

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

Key Question 3: -- Do you hire **seasonal employees**?

If No – Go to **Key Question 4** (next page).

If Yes – What was your total number of hours worked each month by all **seasonal** paid employees (full-time and part-time) for each month during the preceding year?

Row 4:

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

Row 5: Divide the number entered in Row 4 for each month by 120:

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

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Snapshot Analysis of Step 1: Determination of Employer’s Number of Employees under ACA (Continued).

Key Question 4: What was your **total number of employees** for each month?

If you **do not** hire seasonal employees, add Row 1 plus Row 3 for each month.

If you **do** hire seasonal employees, add Row 1 plus Row 3 plus Row 5 for each month.

Row 6 = Row 1 + Row 3 OR Row 6 = Row 1 + Row 3 + Row 5.

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC

Your average monthly number of employees equals the average of the numbers in Row 6:

Sum of monthly numbers in Row 6/12 = _____.

Conclusion:

If the employer’s average monthly number of employees is **less than 50:**

Then the employer **is not required** to offer health insurance to full-time employees. Users in this category should **go to Snapshot Analysis 3 and Table 3** to determine their eligibility for the Small Business Health Care tax credit provisions of the ACA.

If the employer’s average monthly number of employees is **50 or more and the employer has no seasonal employees:**

Then the employer **is** required to offer health insurance to **full-time employees**. Users in this category should **go to Snapshot Analysis 2 and Table 2** to determine their alternatives under the Employee Shared Responsibility provisions of the ACA.

If the employer’s average monthly number of employees is **50 or more, and**

- (1) The employer’s workforce exceeded 50 full-time employees for 120 days (or four calendar months) or less and
- (2) The employees in excess of 50 were employed during that period as seasonal employees,

Then the employer **is not required** to offer health insurance to full-time employees. Users in this category should **go to Snapshot Analysis 3 and Table 3** to determine their eligibility for the Small Business Health Care tax credit provisions of the ACA.