



WORKSHEET TO DETERMINE TOTAL EMPLOYEE COUNT

Under the Employer Shared Responsibility (Employer Mandate) Provisions of the Affordable Care Act (ACA)

The purpose of this worksheet is to determine whether your organization is a large employer subject to the ACA Employer Mandate requirements in 2015 and your reporting obligations, if any, for 2016. Bolded terms used in this worksheet are defined in *Preparing for the Employer Mandate*.

STEP 1: DETERMINE YOUR 2014 MEASUREMENT PERIOD

If your organization is a large employer for 2015, then it is subject to the ACA Employer Mandate requirements in 2015. A large employer in 2015 is determined by the number of full-time employees in 2014. The rules permit employers to count employees for six to 12 consecutive months in 2014. Employers should use their payroll records to input the employees and their hours of service in this worksheet.

Determine the start month and the duration of your 2014 measurement period (e.g., January through August 2014):

STEP 2: COUNT 2014 FULL-TIME EMPLOYEES

Enter the number of **full-time employees** you had during the months of the measurement period. Count those employees who work, on average, 30 hours per week or more, including vacation, paid leave, and illness. You may also use 130 hours of service per month as the monthly equivalent of 30 hours of service per week. Include full-time employees of any related employers in the same **controlled group**.

STEP 3: COUNT 2014 FULL-TIME EQUIVALENT EMPLOYEES

The term **full-time equivalent employees** (FTEs) refers to a combination of the employees who work less than full time. This calculation is used solely for determining whether your organization is a large employer subject to the mandate. All employees (including seasonal workers) who are not employed full time are to be included in this calculation, including employees of related employers.

- a. Calculate the aggregate number of hours of service of your employees who were not full time (but no more than 120 hours of service per employee) for each calendar month in your 2014 measurement period. A table such as the one shown may help for purposes of the FTE computation.
- b. Divide each month's aggregate hours (total FTE hours) by 120 to determine your total FTEs for the month. Fractions are taken into account, rounded to the nearest one hundredth. The result is the number of FTEs for that month.
- c. Add up the number of FTEs in each month of the measurement period.
- d. Divide the total FTEs for months in your measurement period (the number in "c" above) by the number of months in your measurement period to determine your average FTEs. (In the table it is 6 FTEs.)

Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Frank Furness	80	120	120	120	120	100	120	60
Lavinia Francis	99	100	110	120	120	100	120	120
William Webb	100	100	110	120	110	100	110	110
Mary Johnson	120	120	120	120	120	120	120	120
Emily Kent	100	110	120	120	105	90	90	90
Carlos Soledad	90	90	95	80	100	95	100	90
Martha Buckley	80	80	80	80	80	80	80	80
Total FTE Hours	669	720	755	760	755	685	740	670
Total FTE (Hours/120)	5.58	6.0	6.3	6.3	6.3	5.7	6.2	5.6
Total FTE for Measurement Period:								48.0

Average FTEs for Measurement Period: **6**

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STEP 4: DETERMINE YOUR TOTAL EMPLOYEE COUNT

- a. Add the total number of full-time and FTE employees from Steps 2 and 3. The result, if not a whole number, is then rounded to the next lowest whole number.
- b. **If the result is less than 50**, you are **not** a large employer and you are not subject to the employer mandate provisions of the ACA in 2015 or reporting obligations in 2016.
- c. **If the result is more than 50**, you are a large employer subject to the mandate in 2015 and have reporting obligations in 2016.

STEP 5: 2015 COMPLIANCE REQUIREMENTS

What Your Employer Status Means for Your Organization

If the result is more than 50, but seasonal employees were included in your calculation, the seasonal employee exception may apply.

- a. A seasonal employee is a worker who performs labor or services on a seasonal basis (e.g., a summer church camp employee).
- b. If the sum of your FT and FTE employees exceeds 50 for 120 days or less during the measurement period, and the employees in excess of 50 were employed during that period for no more than 120 days are seasonal employees, you are not considered a large employer (i.e., you qualify for the **seasonal employee exception**).

Example: A church employs 40 employees on a full-time basis for 2014. In addition, during the summer, the church employs 40 additional full-time employees who work from June through August. The church has 40 employees for nine months of the year and 80 employees for three months. The church's workforce exceeds the 50 full-time employee threshold for no more than three calendar months (less than 120 days). Because the number of FT/FTE employees would be less than 50 during those months if the seasonal workers were disregarded, the seasonal worker exception applies and the employer is not a large employer for the next calendar year.

If the result is between 50 and 99, you are a "mid-sized employer" and no penalty will apply under the mandate provisions for 2015, provided that on or after February 9, 2014 you

- 1) have not reduced the size of your workforce or overall hours of service to qualify for this mid-sized employer relief and
- 2) have not eliminated or materially reduced the healthcare coverage offered to the workforce. This relief is only available for 2015.

In 2016, the employer mandate provisions will apply to mid-sized employers.

If the result is 100 or more, you are an applicable large employer and the mandate provisions apply to you in 2015. **Your organization also has reporting obligations in 2016.**

This information is intended to be informational and does not constitute legal advice by the Board of Pensions regarding any specific situation.