

What are the
**KEY ASPECTS OF ACA EMPLOYER MANDATE
AND WHO NEEDS TO COMPLY WITH IT?**

1

The Affordable Care Act (ACA) introduced the ACA Mandate, which requires employers to offer health coverage to full-time employees.

The ACA Employer Mandate applies to Applicable Large Employers (ALEs). An ALE is defined as an employer with at least 50 full-time employees or full-time equivalents (FTEs).

2

To Determine ALE Status

1. Count full-time employees (30 hours or more per week)
2. Include full-time equivalents (add up all hours worked by part-time employees and divide by 120)

3

To determine if your business is an ALE, calculate the total number of full-time employees and the number of full-time equivalent employees for each month of the previous year. If the average month count is more than 50, then your business is considered an ALE for the CURRENT calendar year.

4

An ALE must offer Minimum Essential Coverage (MEC) to at least 95% of its full-time employees and their dependants (children up to the age of 26). The coverage must also meet Minimum Value (MV) standard, covering at least 60% healthcare costs to avoid Penalty A and Penalty B.

5

Penalties for Non-Compliance

Both employers and employees share responsibility for health coverage. Employers must offer affordable health coverage, while employees must enroll in health coverage or face tax penalties.
*Some states still enforce the individual mandate

6

Failure to comply with the ACA Employer Mandate can result in significant penalties.

Penalty A: For not offering MEC of full-time employees. Penalty = (Total full-time employees - 30 employees) x \$247.50 per month (2024).

Penalty B: For offering unaffordable or non-MV coverage. Penalty = \$371.67 per employee per month (2023) If an employee receives a Premium Tax Credit.

7

If you are an (ALE), contact your FrankCrum Sales Representative to find a Minimum Essential Coverage (MEC) / Minimum Value Plan (MVP) option that meets your needs to avoid penalties for noncompliance. FrankCrum can help with a MEC plan that requires a minimum of 2 enrolled employees.