



Revised HCTT-2016-32: Six Things to Know about the Employer Shared Responsibility Provisions

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Issue Number: **Revised HCTT-2016-32**
Inside This Issue

UPDATE: March 23, 2016: Item #4 was updated to indicate that you are subject to the payment if *at least one full-time employee* receives the premium tax credit and any one of these conditions apply.

Six Things to Know about the Employer Shared Responsibility Provisions

The health care law includes the employer shared responsibility provisions, which require applicable large employers to offer health coverage to full-time employees and their dependents. Those that do not offer coverage might be subject to the employer shared responsibility payment.

Here are six facts about these provisions.

1. These provisions apply to [applicable large employers](#), which includes tax-exempt and federal, state, local and Indian tribal government employers. You're an applicable large employer if you have 50 or more full-time employees, including full-time equivalents.
2. If you have fewer than 50 full-time employees, including full-time equivalents, you are not an applicable large employer and are generally not subject to these provisions. However, you are subject to the rules for

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large employers if you have fewer than 50 employees, but are a member of an ownership group that has 50 or more full-time equivalent employees,

3. Under certain conditions relating to the employer's maintenance of workforce and pre-existing health coverage, an employer won't be assessed a payment for 2015. This [transition relief](#) is available for tax year 2015 for certain ALEs who have fewer than 100 full-time employees, including full-time equivalents. .

4. You are subject to the payment if at least one full-time employee receives the premium tax credit and any one of these conditions apply. Your organization:

- failed to offer coverage to full-time employees and their dependents
- offered coverage that was not affordable
- offered coverage that did not provide a minimum level of coverage

5. You do not report or include an employer shared responsibility payment with any information return you file.

6. The IRS will contact you about your potential shared responsibility payment amount. You'll have an opportunity to respond before the IRS assesses any liability or issues a notice and demand for payment.

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