# ACA Newsletter


## The Latest ACA News

On May 21st, the IRS announced the 2019 shared responsibility affordability percentage. Adjusted for inflation, health coverage will satisfy the requirement to be affordable if the lowest-cost, self-only coverage option available to employees does not exceed 9.86% of an employee's household income, up from 9.56% in 2018. The maximum employee only (self-only) contribution amount that a calendar year plan can charge in 2019 under the Federal Poverty Level (FPL) safe harbor, will be 9.86% of $12,140, divided by 12, or $99.75. Employers should not overlook the Affordable Care Act's (ACA's) annual inflation-adjusted shift in cost-sharing limits for group health plan coverage. Doing so could result in potential penalties.

| Calendar Year | Prior Year FPL | Affordability Percentage | Maximum Monthly Contribution |
|---|---|---|---|
| 2019 | $12,140 | 9.86% | $99.75 |
| 2018 | $12,060 | 9.56% | $96.08 |
| 2017 | $11,880 | 9.69% | $95.93 |

**Quick Tip**

## How to Determine Maximum Contribution

To determine the maximum employee only (self-only) contribution amount that can be charged for plan years beginning in 2019 based on the *Rate of Pay* safe harbor methods:

- Annual Salary: 9.86% of the Annual Salary, divided by 12
- Hourly Wage*: (hourly wage x 130 x 0.0986)
- W2 Earnings: 9.86% of the W2 earnings, divided by 12

*130 hours used when determining the monthly rate of pay for *hourly* employees.

# ACA Management: Moving from Reactive to Proactive

## *How Are You Measuring Service Hours for Interns?*

In cases where you can't reasonably determine whether a new intern will work 30+ hours per week, or if the intern meets the definition of a seasonal employee, you may use either a monthly or look-back measurement method to define whether/when the intern becomes full time. Under the look-back method, for example, you could define a measurement period between 3 and 12 months to determine whether the intern is truly full time. In the case of the 12 month measurement period, the intern would likely never reach full time status if he or she only works during the summer. Many employers are surprised to realize that they may have to offer benefits to their interns, which is helpful to know beforehand and allows them to account for any potential added cost.

*The Importance of Hours Tracking: It's the peak time of year for hiring "interns" - don't assume that paid interns are excluded from your health plan.*

## Could Your Intern Meet the Definition of a "Seasonal Employee" Under the ACA?

The ACA allows for a category of individuals called seasonal employees. These employees are those whose customary annual employment for the position is six months or less and generally begins at the same time (season) each year. This label is relevant because it may allow you to use a look-back measurement period which would exclude these individuals from coverage.

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