

Affordable Care Act:

Are you an applicable large employer?



Affordable Care Act Employers



Applicable large employer

You are an [applicable large employer](#) if you averaged at least 50 full-time employees, including full-time equivalent employees, during the prior year. Applicable large employers are subject to information reporting and the employer shared responsibility provisions of the health care law.

Steps to determine whether you are an applicable large employer

Determine how many full-time employees you had each month of the prior year. This provision defines a full-time employee for any calendar month as one who has, on average, at least 30 hours of service per week.

Determine how many full-time equivalent employees you had each month of the prior year. To do this, combine the number of hours of service of all non-full-time employees for the month – but no more than 120 hours per employee – and divide that total by 120.

For each calendar month, add your full-time and full-time equivalent employees for a monthly total. Add the monthly totals. Divide the sum of the monthly totals by 12. If the result is 50 or more employees, you are an applicable large employer.

The law treats employers in an aggregated group as a single employer for determining applicable large employer status. You are part of an aggregated group if you have common ownership or are otherwise related to other employers.

There are many additional rules on determining who is a full-time employee, including what counts as hours of service and how to count seasonal employees. See IRS.gov/aca for additional information about the employer shared responsibility provisions.

Responsibilities for applicable large employers

Applicable large employers are subject to information [reporting requirements](#). Use [Forms 1094-C](#) and [Forms 1095-C](#) to report information to the IRS about your full-time employees. You'll also issue information returns to your employees about the coverage you offered.

Applicable large employers are subject to shared responsibility provisions. You may have to make a shared responsibility payment if you do not offer affordable health coverage that provides minimum value to your full-time employees and their dependents. You may be required to make this payment if at least one full-time employee receives a premium tax credit for purchasing individual coverage through the Health Insurance Marketplace.

Find out more about the tax provisions of the Affordable Care Act for employers at IRS.gov/aca.