

34. Is additional transition relief available for employers with at least 50 but fewer than 100 full-time employees (including full-time equivalents)?

Yes. For employers with fewer than 100 full-time employees (including full-time equivalents) in 2014, that meet the conditions described below, no Employer Shared Responsibility payment under section 4980H(a) or (b) will apply for any calendar month during 2015. For employers with non-calendar-year health plans, this applies to any calendar month during the 2015 plan year, including months during the 2015 plan year that fall in 2016.

In order to be eligible for the relief, an employer must certify that it meets the following conditions:

- (1) **Limited Workforce Size.** The employer must employ on average at least 50 full-time employees (including full-time equivalents) but fewer than 100 full-time employees (including full-time equivalents) on business days during 2014. (Employers with fewer than 50 full-time employees (including full-time equivalents) on business days during the previous year are not subject to the Employer Shared Responsibility provisions.) The number of full-time employees (including full-time equivalents) is determined in accordance with the otherwise applicable rules in the final regulations for determining status as an applicable large employer.
- (2) **Maintenance of Workforce and Aggregate Hours of Service.** During the period beginning on Febr. 9, 2014 and ending on Dec. 31, 2014, the employer may not reduce the size of its workforce or the overall hours of service of its employees in order to qualify for the transition relief. However, an employer that reduces workforce size or overall hours of service for bona fide business reasons is still eligible for the relief.
- (3) **Maintenance of Previously Offered Health Coverage.** During the period beginning on Feb. 9, 2014 and ending on Dec. 31, 2015 (or, for employers with non-calendar-year plans, ending on the last day of the 2015 plan year) the employer does not eliminate or materially reduce the health coverage, if any, it offered as of Feb. 9, 2014. An employer will not be treated as eliminating or materially reducing health coverage if (i) it continues to offer each employee who is eligible for coverage an employer contribution toward the cost of employee-only coverage that either (A) is at least 95 percent of the dollar amount of the contribution toward such coverage that the employer was offering on Feb. 9, 2014, or (B) is at least the same percentage of the cost of coverage that the employer was offering to contribute toward coverage on Feb. 9, 2014; (ii) in the event of a change in benefits under the employee-only coverage offered, that coverage provides minimum value after the change; and (iii) it does not alter the terms of its group health plans to narrow or reduce the class or classes of employees (or the employees' dependents) to whom coverage under those plans was offered on Feb. 9, 2014.