

Affordable Care Act Implementation

Definition of Full-Time Employee

A full-time employee is defined under the Affordable Care Act (ACA) as an employee who works 30 hours per week, per month, on average.

If an employee is hired for – or promoted to – a full-time position (for an ACA-covered employer), then the employee will be eligible¹ for the employer’s health plan after the employer’s waiting period (maximum 90 days) if applicable.

If an employee is hired on other than a full-time basis (e.g. on a part-time, temporary, or seasonal basis), then they need not be offered coverage². But, employers may have to monitor their hours to determine if they become eligible for coverage.

The Department of Treasury is considering a method of tracking hours on average to recognize eligible employees without the expense of enrolling and dis-enrolling employees into coverage, as they gain or lose eligibility.

This proposed “look-back” method would allow employers to average hours over a set period (not to exceed 12 months) in exchange for an equal or greater period of stable coverage without regard to eligibility for coverage.

Seasonal employees working fewer than 120 days per year are excluded from calculation of whether an employer is an ACA-covered large employer and from penalty calculations.

- 1) Offer must be to employee and the employee’s dependents. Affordability and minimum value tests are based on single-coverage only.
- 2) If part-time employers *are* offered coverage by ACA-defined large employers, then the 90-day waiting period may apply; future guidance pending. Insurance market reforms apply and no annual or lifetime limits on essential health benefits allowed.