



Small Business: Complying with ACA in a Time of Mass Furloughs, Newsday, ft. Jennifer Sherven

Jennifer Sherven, KD partner, commented in an article written by Jamie Herzlich which was published in Newsday, April 19, 2020.

As employers have dealt with the pandemic, they've had to make hard decisions, including placing employees on furlough or drastically cutting back hours.

While that addresses immediate needs, it could have implications on satisfying their employer obligations tied to the Affordable Care Act, which mandates that certain-sized employers provide health insurance to eligible full-time workers.

In particular, if not handled carefully, it could result in 2020 penalties being levied by the Internal Revenue Service.

Employee hours need to be measured each year in order to determine offerings of coverage for the following year.

Keep in mind even part-timers hours count toward calculating accurate ACA full-time equivalents

And consider that just because an employee is furloughed doesn't mean they don't need to be provided health care coverage under ACA.

With that said, don't assume that furloughed employees are still covered under your plan, says Jennifer Sherven, a partner at Kaufman Dolowich & Voluck, LLP in Woodbury.

Employers really need to check with their insurance carriers, she says, adding, "It may depend on their health plan if the employee is still covered," she says.

Many insurance policies require employees to be actively at work and working a certain number of hours in order to retain eligibility for benefits under the group policy, says Sherven. So it's important to carefully review plan documents to determine carrier requirements for eligibility, she says.