

Think you are too small to be affected by PPACA? Think again!

Many smaller hospitality employers are not paying attention to these laws because some commentators have reported they only apply to employers with 50 or more full-time employees. That statement is inaccurate and here's why:

- It is true that employers with 50 or more full-time employees must provide coverage under the Act, but the Act: (i) defines a full-time employee as someone who averages **30 or more hours per week**, and (ii) specifically provides that **part-time employees are counted as partial employees for determining whether the employer has 50 employees** (i.e., 50 employees really means 50 full-time equivalents). Thus, given that many restaurants and hotels utilize part-time employees, the new health care reform legislation may affect them even though they lack 50 full-time employees.
- Some hospitality employers separately incorporate their restaurants and hotel properties for a variety of corporate and liability purposes. In counting employees, however, the Act applies IRS and ERISA controlled group principles; in other words, parent, brother, and sister companies are all counted as one. If two 25 full-time equivalent employee hotels are separately incorporated but owned by the same company, person, or other "controlled group," those properties meet the 50 full-time equivalent employee threshold under the Act.
- While small employers (again defined as having less than 50 full-time equivalent employees) are not required to offer health insurance coverage, those who do offer coverage must comply with several new requirements. For instance, health care plans cannot exclude coverage for preexisting conditions, they must cover adult children up to age 26, and they must not impose annual or lifetime limits on certain benefits. Most of these changes take effect in less than a year.
- The Act provides several incentives for small employers who choose to offer coverage. For instance, the Act simplifies cafeteria plan rules and provides tax credits to small employers who cover at least 50% of employee premiums. The Act also provides grants to small employers to establish workplace wellness programs. To read up on FAQs for small employers, [click here](#).
- Certain provisions, such as the nursing mother amendment, apply to smaller employers (with exceptions). Others, such as the creation of insurance exchanges, are designed to make it easier for smaller employers to obtain and provide insurance coverage.