

Terms:

In order for an employer or individual to follow the new regulations, it is critical to have a working understanding of the following defined terms.

Affordable Coverage: Coverage under an employer sponsored plan and affordable to a particular employee if the employee's required contribution to the plan does not exceed 9.5% of the applicable taxpayer's household income.

Applicable Large Employer: An employer that employed an average of at least 50 Full time employees taking into account full-time equivalent employees on business days during the preceding calendar year.

Eligible Employer Sponsored Plan: A group health plan or group health insurance coverage offered by an employer which is a plan or coverage offered in the small or large group market within a State.

Employment Relationship: As defined under the common law standard, where a person for whom the services are performed has the right to control and direct the individual who performs the services, not only as to defining the work and the method for and the outcome to accomplishing the work but also as to the details and means by which the result is accomplished.

Full Time Employee: An employee who is employed on average at least 30 hours of services per week or 130 hours per month.

Full Time Equivalent: (FTE) one or more Full time Employee statuses arrive from dividing the aggregate number of hours of service of non Full Time Employees for the month by 120. Four calendar months would be treated as the equivalents of 120 Days. This definition is solely for the purposes of determining whether an employer is an applicable large Employer for the current calendar year.

Hours of Service: This is the Statutory term and includes not only hours for which an employee is paid, or entitled to payment for the performance of duties for the employer when work is performed but also hours for which an employee is paid or entitled to payment even when no work is performed due to vacation, holiday, illness, incapacity, layoff, jury duty, military duty or leave of absence.

Minimum Essential Coverage: Any of the following types of coverage: Government Sponsored coverage, eligible employer sponsored plan, individual market plan, grandfathered plan and other coverage such as state health risk pool.

Minimum Value: A health plans share of the total allowed costs of benefits provided under the plan must equal or exceed 60% of such costs.

Seasonal Employees: Employees who perform labor or services on a seasonal basis as defined by the Department of Labor and retail works employed exclusively during the holiday seasons for 120 Days or fewer during a calendar year.