



Mythbusting Obamacare: Can an employer be penalized if a non-full-time employee gets individual coverage through the Marketplace?

ANTOINETTE PILZNER | HEALTHCARE PRESCRIPTIONS | JUN 08, 2013

Myth: An "applicable large employer" will be subject to the shared responsibility penalties if the employer does not offer affordable, minimum value coverage to an employee who is **not** a full-time employee and that employee qualifies for a tax credit or cost-sharing reduction when the employee gets individual health insurance through the Marketplace.

Busted: Penalties for an "applicable large employer" can only be triggered if an employee to whom the employer was required to offer coverage gets individual health insurance through the Marketplace **and** qualifies for a tax credit or cost-sharing reduction. An employer is only required to offer coverage to "full-time employees" and their dependent children. So, an employee who is not a full-time employee cannot trigger either of the employer shared responsibility penalties for his or her employer, even if the employer does not offer the non-full-time employee affordable, minimum value coverage through the employer's group health plan.

Note that if an employer **does** offer group health coverage to its non-full-time employees, a non-full-time employee may be disqualified from tax credits or cost-sharing reductions on individual health insurance through the Marketplace if (a) the coverage offered through the employer's plan provides minimum value, and (b) the employee's cost for single-only coverage does not exceed 9.5% of the employee's household income. However, an employee (full-time or not full-time) who is offered coverage through an employer's group health plan generally will not be disqualified from Medicaid because of the availability of coverage through the employer; Medicaid eligibility is usually based only on the employee's household income.



ANTOINETTE PILZNER

I've been on the accountant's side, the employer's side, and the attorney's side of employee benefits over a span of more than 30 years. So I understand, and can help you identify and evaluate, the financial, human resources, administrative, and business aspects of the employee benefit plan decisions you face.

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