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# BROKER BRIEF

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## **Employer shared responsibility**

As a reminder, Applicable Large Employers (ALE) are required under the ACA to offer coverage to a minimum of 95 percent of their full-time eligible employees. The coverage must meet minimum value and must be deemed affordable to their employees.

To meet minimum value, the plan must cover at least 60 percent of the expected health care costs. The plans need to include hospitalization coverage in order to avoid the penalty. For the plan to be deemed affordable, the employee's contribution towards the plan cannot exceed 9.5 percent of their W2 income.

An employer may be subject to a penalty if they do not offer affordable coverage that meets minimum value to a minimum of 95 percent of their full-time eligible employees and dependents.