

# BUSINESS on main

A COMMUNITY FOR SMALL-BUSINESS LEADERS

BROUGHT TO YOU BY **Sprint**

About This Site | Connect With Us: [in](#) [f](#) [t](#) [You Tube](#) [RSS](#)

HOME SMALL-BUSINESS TOPICS VIDEOS TOOLS Q&As NEWSLETTER

SPRINT SOLUTIONS CENTER

BROWSE BY SUBJECT

STARTING UP

FINANCE

OPERATIONS & GROWTH

SALES & MARKETING

MANAGEMENT & LEADERSHIP

Hiring & Training

Compensation & Benefits

Managing Employees

Leadership

Work-Life Balance

Governance & Partnerships

TECHNOLOGY

BOLD IDEAS

THE SMALL-BUSINESS LIFE

RELATED CONTENT



Is It Time to Take a Break From Your Business? [Read more](#)

[Empower Employees to Be Decision-Makers](#)

[Why Business Loans Are Up for Grabs](#)

[Subscribe to Business on Main's Monthly Newsletter](#)

## Get a Head Start on Health Care Changes in 2013

By Toddi Gutner | [Business on Main](#)

PRINT SHARE

+1 0

Like 0



**Don't wait until the last minute to figure out what changes will be needed for your business to comply with the new health care requirements. Here's how to get a head start.**

Ask small-business owners what they need to be doing to comply with the upcoming health care law changes, and chances are they aren't exactly sure.

"To understand what they're supposed to and what they don't have to do is their biggest challenge," says Chantel Sheaks, a principal with Buck Consultants. That's not a surprise given the sheer volume of changes in regulations. Even an expert like Sheaks says she's "no longer counting regulations in pages, but rather in inches."

### Related Topics

[Compensation & Benefits](#)

### Start planning for health care changes now

That's all the more reason to start thinking now about how health care changes will impact your business. What employers do know is that the law goes into effect in 2014, and that they may have to deal with compliance once open enrollment begins on October 1, 2013. Meanwhile, most businesses with fewer than 50 employees think they don't need to worry at all.

If that's your plan, you may want to think again. That's because 2013 is a look-back year — that is, the year during which the government will ascertain the number of workers a company employs. So if during 2013, your company averages at least 50 full-time employees (or a combination of full-time and part-time employees that equals at least 50), then your business could be subject to the employer mandate, says Tulay Turan, an attorney and benefits analyst at Wolters Kluwer Law and Business.

### Counting employees isn't as simple as it seems

Knowing exactly how to calculate the number of employees you have could be the difference between being in compliance with the health care law and being subject to a penalty. Indeed, the calculation can be tricky.

For example, if an employer has 40 full-time employees who work 30 or more hours per week on average, plus 20 half-time employees who work 15 hours per week on average, then the employer has the equivalent of 50 full-time employees and is subject to the employer mandate, says Turan.

Taking a look at your own company, you'll want to consider the following guidelines. For the purposes of the law, a full-time employee is someone who works an average of 30 hours a week or 130 hours a month. But keep in mind that part-time or seasonal workers can be combined or lumped together as a "full-time equivalent."

A "full-time equivalent" is a combination of workers, none of whom are individually full-time employees, whose hours add up to those of a full-time employee. In order to figure out the number of full-time equivalents you employ in any given month, you need to add the total number of hours worked by part-time employees (without exceeding 120 hours for any one employee) and then divide the total by 120.

### Getting acquainted with the new W-2

Another area of concern that's relevant this year is the new W-2 reporting requirements. (A W-2, of course, is that familiar Internal Revenue Service form that tells employees, among other things, how much taxable income they earned from their employer.) But this year, W-2s may seem a little less familiar.

"W-2s don't look the same as they used to," says Jay Starkman, president and CEO of Engage PEO, a human resources outsourcing firm. "So companies need to make sure they're compliant in terms of the new reporting requirements," he says.

In particular, the IRS is requiring that "employers provide information to employees on the cost of employer-provided group health plan coverage," according to the Journal of Accountancy. If this sounds familiar, it's because the

advertisement

IRS made this requirement optional in the 2011 tax year — but for the 2012 forms, it's mandatory. [Visit the IRS website](#) for more information on reporting employer-sponsored health coverage on those W-2s.

Many of the other rules and regulations pertaining to the new health care law come down the pike in 2014. But don't wait until then to start deciphering how the law impacts your business. "It's an intricate and dynamic piece of legislation," says Starkman. "In order to be able to execute a compliant plan, it is important to align yourself with a business that's an expert in health care."

© [Business on Main](#). Sign up for our [Main Street Authority newsletter](#) to get articles like this delivered monthly to your inbox.

**This article has 50% thumbs up.**

Did you like this article? Rate it by clicking on a button below.



 4 Comments

[+ Add a Comment](#)



Toddi Gutner is an award-winning journalist, writer and editor and currently a contributing writer covering personal finance for Reuters.

[Read more articles by Toddi](#)

[Follow Toddi on Twitter](#)