

# Determining full-time employees

for purposes of  
shared responsibility  
for employers regarding  
health coverage



## **PacFed Benefit Administrators**

a Zenith American company

1000 North Central Avenue, Suite 400, Glendale, CA 91202  
818.243.0222 | 800.753.0222 | [PacFed.com](http://PacFed.com) | CA License #0L45116

**DETERMINING  
FULL-TIME  
EMPLOYEES  
FOR PURPOSES  
OF SHARED  
RESPONSIBILITY  
FOR EMPLOYERS  
REGARDING  
HEALTH COVERAGE**

→ **Definitions**

**Full Time Employee**

“Section 4980H(c)(4) provides that a full-time employee with respect to any month is an employee who is employed on average at least 30 hours of service per week.”

**Part Time Employee**

A part-time employee is an employee who is employed on average less than 30 hours per service week with respect to any month.

**Variable Hour Employee**

“An employee is a variable hour employee if, based on the facts and circumstances at the date the employee begins providing services to the employer (the start date), it cannot be determined that the employee is reasonably expected to work on average at least 30 hours per week.”

**Seasonal Employee**

“Employees in excess of 50 who were employed during that period of no more than 120 days were seasonal employees, the employer would not be an applicable large employer. Furthermore, § 4980H(c)(2)(B)(ii) provides that, for this purpose, seasonal worker means a worker who performs labor or services on a seasonal basis, as defined by the Secretary of Labor...Through at least 2014, employers are permitted to use a reasonable, good faith interpretation of the term “seasonal employee” for purposes of this notice.”

→ **Eligibility for Coverage**

**Variable Hour & Seasonal Employees**

“For variable hour and seasonal employees, employers are permitted to determine whether the new employee is a full-time employee using an “initial measurement period” of between three and 12 months (as selected by the employer).”

“The employer may use both a measurement period of between three and 12 months (the same as allowed for ongoing employees) and an administrative period (waiting period) of up to 90 days for variable hour and seasonal employees.”

“The stability period (coverage period) for such employees must be the same length as the stability period for ongoing employees.”

**Reference Source:**

*Determining Full-Time Employees for Purposes of Shared Responsibility for Employers Regarding Health Coverage (§ 4980H). IRS Notice 2012-58.*