

Excluding Interns from Health Coverage this Summer?

May 1, 2015

Remember that paid interns who work at least 30 hours per week are considered to be "full-time employees" who could trigger employer penalties under the Affordable Care Act (the "ACA"). Employers may thus want to consider (1) implementing measurement periods to exclude seasonal employees (including interns) or (2) offering health plan coverage to interns, who are likely still covered under their parent's insurance or school insurance. If an employer does neither (1) nor (2) and continues to exclude interns from health plan coverage, one of two employer penalties may apply. The first penalty could apply if the excluded interns (plus any other excluded full-time employees or contractors reclassified as employees by the IRS) exceed 5 percent (30 percent for 2015 only) of the total full-time employee population in any month (generally determined on an individual employer basis for related employers). The second penalty could apply if any of the excluded interns is receiving a premium subsidy for health coverage purchased on a public exchange established under the ACA.