

## IRS Increases ACA Employer Affordability Percentage for 2019

---

June 6, 2018

---

---

Generally, the Affordable Care Act (the "ACA") requires coverage under a group health plan sponsored by an "applicable large employer" (at least 50 full-time equivalent employees) to be "affordable", as determined under the ACA, in order to avoid certain ACA penalties. "Affordability" is based on whether the premium for employee-only coverage is less than a certain percentage of an employee's household income or a designated safe harbor amount. The IRS has increased the affordability percentage for 2019 to 9.86 percent, up from 9.56 percent in 2018.