

Offer of Coverage on Behalf of Another Entity under the ACA

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To avoid the play-or-pay penalties under the ACA, an employer must offer a minimum essential coverage to a certain percentage of its full-time employees (determined under the common law standard discussed above). The Final Regulations provide certain circumstances under which an offer of coverage by another entity could be considered to have been made on behalf of the common law employer. For example, where an entity is the common law employer of a worker whose services are provided through a staffing agency, an offer of health plan coverage by the staffing agency may be treated as an offer of coverage by the common law employer, but only if the common law employer pays a higher fee to the staffing agency for a worker who enrolls in health coverage than the employer would pay if the worker did not enroll in the plan. The Final Regulations can be found [here](#).