

## COUNTING EMPLOYEES: MORE DIFFICULT THAN YOU THINK

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With health care reform upheld by the U.S. Supreme Court, there is a renewed interest in upcoming compliance issues. The prudent employer would start focusing on immediate compliance issues and planning for those that become effective on Jan. 1, 2014. One important aspect of employer planning is employee counting issues. Counting does not sound difficult, but there are many reasons you have to count your company's employees:

- the 50-employee threshold for the "play or pay" company mandate;
- a 200-employee threshold for the automatic enrollment rules;
- 250 W-2, W-2 report exception for employers with less than;
- the 120 monthly in 2011 hour requirement for full-time employee status; and
- for part-time employees, the determination of full-time equivalent (FTE) employees.

And to top it off, an employee may count as "one" employee for some purposes, and less than "one" for others, because of the FTE concept. A further complication is that this information is probably stored in different ways for different purposes. For example, W-2 counts are probably held in the employer's payroll department, or outside payroll provider. Hours records may be part of payroll, HR, or not recorded properly at all.

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A prudent employer will start gathering data now for counting purposes, and be prepared for 2014.

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