

Organizations of all sizes and industries welcome the use of part-time positions to supplement their workforce. While most benefit discussions focus on full-time employees, part-time employees should not be forgotten. Learn more about the role part-time employees play in health plan compliance calculations, required coverage offerings and how extending benefits can enhance retention strategies.

Impact on health plan compliance

The Affordable Care Act (ACA) mandates that employers with 50 or more full-time equivalent (FTE) employees provide health insurance to all full-time employees. While part-time employees do not qualify for ACA mandated health coverage, their hours' worked are considered in the FTE calculation and could impact whether an employer meets the 50 FTE threshold.

Benefit requirements

The Fair Labor Standards Act (FLSA) does not distinguish between part-time and full-time employees, meaning part-time employees are equally covered by the legislation. Employers subject to FLSA requirements must uphold minimum wage requirements, overtime pay, recordkeeping and child labor standards with part-time positions. Per Employee Retirement Income Security Act (ERISA) <u>rules</u>, if part-time employees work 1,000 hours per year they are entitled to participate in the company's retirement savings plan. State and local regulations may also apply.

Leveraging benefit offerings

In a talent pool where few-to-no benefits is the standard, extending any number of employee benefits to part-time positions is an automatic edge-up in recruiting and retention efforts. Ancillary benefits, like life, critical illness, accident, or dental and vision insurance are cost-effective benefit offerings that signal part-time employees are valued in an organization. Even if employers don't contribute toward costs, group benefits are much more affordable than coverage purchased individually.





If your organization is considering implementing part-time benefits, consult with your Bukaty representative to evaluate the impact on your bottom line.

