



## 2015 Payroll Fact Sheet

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### Update: **Small group definition** likely won't change in 2016

#### What you need to know

Beginning Jan. 1, 2016, two changes were expected to affect how the size of employer groups is determined:

1. Michigan insurance carriers will begin using the full-time equivalent, or FTE, counting method, instead of using the "eligible employee" counting method.
2. Affordable Care Act regulations were to expand the definition of a "small employer group" to include all employers with up to 100 FTEs.

The U.S. Congress recently passed legislation, signed into law by the president on Wednesday, Oct. 7, that maintains the definition of a small group as an employer with 50 or fewer FTEs. Although the legislation allows states to move forward with the small group expansion (up to 100 FTEs) if they choose, **Michigan will likely keep the definition of a small group as an employer with 50 or fewer FTEs.**

Many employers will still feel the effect of the new FTE counting methodology, but the number of groups that transition to the small group reform market will likely be much lower. Blue Cross Blue Shield of Michigan and Blue Care Network are analyzing the effects and activities that need to occur now that the bill has been signed into law. We'll provide more details as they become available.