

**Guide**

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Description automatically generatedIt’s a common misconception that interns and temporary employees never need to be offered health coverage. Under the ACA, whether you must offer coverage depends on:

**ACA Compliance Guide: Temporary Employees & Interns**

When short-term staff still require an offer of coverage

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* Your Applicable Large Employer (ALE) status (50+ full-time equivalents).
* Which method you use to track hours (monthly or look-back).
* If your interns/temps qualify as seasonal employes.

**Small Employers (<50 FTEs)**

* No ACA requirement to offer coverage.
* You can set your own eligibility rules — but be sure your plan documents clearly exclude temporary staff if that’s your intent.
* Otherwise, a temp working 30+ hours could argue they qualify under your plan rules.

**Large Employers (ALEs, 50+ FTEs)**

**If you use the Look-Back Measurement Method:**

* If the temp/intern qualifies as a seasonal employee (annual employment is customarily 6 months or less and starts around the same time each year):
* May be placed in an initial measurement period of up to 12 months.
* Often, they won’t average enough hours or will leave before the stability period begins → no coverage offer required.
* Non-seasonal temps and interns hired into full-time positions must be offered coverage once the waiting period ends.

**If you use the Monthly Measurement Method:**

* Employee label doesn’t matter.
* Any employee with 130+ hours in a month is considered full-time.
* If temps/interns are hired into full-time positions, you must offer coverage after the waiting period.

**Penalty Risks for ALEs**

**§4980H(a) penalty (the “big” penalty):**

If temps/interns make up at least 5% of full-time employees and you don’t offer them coverage, this penalty could be triggered for any month an ineligible temp/intern enrolls in subsidized Marketplace coverage.

**§4980H(b) penalty (per-employee):**

If temps/interns are less than 5% of your full-time employee population, a penalty can still be triggered for each full-time temp who gets subsidized Marketplace coverage because they weren’t eligible for your coverage.

**Key Takeaways for Employers**

* Small employers can set clear plan rules to exclude temps but must spell it out.
* ALEs must track hours and measurement method carefully — classifications like “temporary” and “intern” don’t exempt you from employer mandate obligations.
* Seasonal status only protects you if the role truly fits the IRS definition.
* Coverage offers matter, even for short-term staff, if they meet ACA’s full-time thresholds.

Being “temporary” or an “intern” doesn’t automatically mean ACA rules don’t apply. If you’re an ALE and these employees work full-time hours, you may need to make an offer of coverage — or face penalties.

**ACA rules don’t have to be overwhelming.**  
We help employers stay compliant, avoid penalties, and keep benefit plans running smoothly. Reach out today to see how we can support your team.

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