

Salary calculation information

To determine the average annual salary of the employer group:

1. Calculate the sum of the annual gross salaries of all eligible employees; and
2. Divide the sum by the total number of eligible employees.

Exclude from this calculation the salaries of:

- * Employees with an ownership interest
- * Employees on Medicare
- * Employees age 65 and over

To be eligible for ICARE, the average annual salary can not exceed 300 percent of the federal poverty level for a family of three (3), which is currently \$52,800.

For example, an employer group has 10 employees of which 1 employee is an owner, 1 employee is age 67 and the remaining 8 employees are under age 65 and covered under the group's qualified health benefit plan. To calculate the average annual salary, add the salaries of the 8 employees and divide that sum by 8. If the result is \$52,800 or less, the employer group meets the salary requirements.

How to calculate number of employees

In order to determine eligibility, businesses should follow these steps:

1. Count the total number of employees who work at least 25 hours per week.
2. For those employees working fewer than 25 hours per week, add the total number of average hours worked by each person per week. Divide that number by 25 and round up or down to the nearest whole number.
3. Add the final numbers in 1. and 2. to calculate the total number of full-time or full-time equivalent employees.

For example, Company A employs 28 workers. Of the 28, 24 worked at least 25 hours per week during the past year. Two of the remaining four employees worked an average of 10 hours per week during the past year; the other two worked an average of 5 hours per week. To calculate based on formula above:

1. 24 (employees who work at least 25 hours per week).
2. $10+10+5+5=30$ (average hours of employees working fewer than 25 hours per week).
3. 30 divided by 25 and rounded to the nearest whole number = 1.
4. $24 + 1=25$ full-time or full-time equivalent employees.

Company A is eligible for ICARE because it employs 2-25 people.

Company B employs 28 workers with 24 working at least 25 hours per week. The remaining four employees work an average of 20, 15, 15 and 5 hours.

1. 24 (employees who work at least 25 hours per week).
2. $20+15+15+5=55$.
3. 55 divided by 25 and rounded to the nearest whole number = 2.
4. $24+2=26$ full-time or full-time equivalent employees.

Company B would not be eligible for ICARE because it employs 26 people, not 2-25.