

Dear HR Knowledge, What do I need to think about when headcount grows to the magical number 50?

When growing your business, maintaining compliance with federal and state labor laws is a key element that can often go overlooked. A particularly significant milestone is when your headcount reaches 50. With that in mind, these are some important laws to be aware of:

The **Affordable Care Act (ACA)** requires employers with 50 or more employees to offer health care benefits for full-time employees who work a minimum of 30 hours per week or 130 hours per month. Once a company has 50 or more employees, it becomes an "applicable large employer" (ALE) under the ACA and is required to fill out IRS forms including 1095-C and 1094-C.

The **Family Medical Leave Act (FMLA)** requires employers with 50 or more employees to offer all covered employees 12 weeks of unpaid, job-protected leave each year. Employees' health benefits must also be maintained as if they were still working. In addition to dealing with their own medical concerns or those of a family member, employees can use the leave to take care of children under the age of 18, as well as a parent or spouse with a serious medical condition. Employees of both sexes can take the leave to care for a newborn child or one that has just been placed for adoption.

An **Affirmative Action Plan (AAP)** is required when employers have 50 or more employees *and* \$50,000 in government contracts. This plan requires employers to take the necessary steps to recruit and promote minorities, women, disabled people, and covered veterans who are qualified for open positions.

The **Equal Employment Opportunity Commission (EEOC)** requires federal contractors with 50 or more employees to submit an **EEO-1 Report**. This report includes a count of employees sorted by job category and then by gender, race, and ethnicity. Private companies do not have to submit the report until they reach the threshold of 100 employees.

Other headcount requirements

State and local laws vary widely, so employers should do their due diligence to ensure compliance in each city and state in which they have employees, here are just a few examples of some other headcount requirements to be aware of:

- Form 5500, which collects data on employee benefits, including pension plans and insurance, must be completed by any employer that sponsors a plan subject to the Employee Retirement Income Security Act (ERISA). Employers with under 100 employees need only fill out a short version of this form (Form 5500-SF).
- New York state employers are required by law to give employees 90 days' notice prior to relocations or mass layoffs.



- Under state law, California employers with 50 or more employees must provide sexual harassment training and education every other year.
- In Maryland, employers with 50 or more employees must submit a survey to the Maryland Commission on Civil Rights with information on settlements made by or on behalf of an employer relating to sexual harassment allegations

About HR Knowledge

Founded in 2001, HR Knowledge, Inc. provides integrated outsourced HR services tailored to our clients' needs. Our full array of offerings includes managed payroll, employee benefits administration, and HR consulting and support services, such as training, compliance, and Hiring Process Management™, our comprehensive recruitment service that takes you from finding to onboarding new talent. Our major markets are fast-growing small- and medium-sized businesses, many of which are venture-capital-backed; foreign companies expanding into the states; and charter schools. Partnering with HR Knowledge can reduce your administrative costs, minimize your legal risk, help you find and develop talent, and alleviate the HR burden so that you can focus on your core business.

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