

Who can use the SHOP Marketplace

To participate in the Small Business Health Options Program (SHOP) Marketplace, you must:

- Have a principal business address within the state where you're buying coverage, or have an eligible employee with a primary worksite within the state where you're buying coverage.
- Have at least one common-law employee on payroll (not including a business owner or sole proprietor, or their spouses on the payroll). For the definition of a common-law employee, visit the IRS website at irs.gov/Businesses/Small-Businesses-&Self-Employed/Employee-Common-Law-Employee.
- Offer coverage to all your full-time employees — those working an average of 30 or more hours per week.
- Employ 50 or fewer full-time equivalent employees (FTEs), including part-time employees. For example, 2 half-time employees generally equal 1 full-time equivalent employee. Beginning no later than January 1, 2016, SHOP will be available for employers with 100 or fewer FTEs. Visit the **SHOP Full-time Equivalent Employee Calculator** for a quick way to calculate how many full-time equivalent employees you have.

Another way to calculate full-time equivalent employees when you apply for SHOP is to:

- Use the most recent year.
- Exclude seasonal employees (those working fewer than 120 days a year) from all calculations.
- Count the number of people who worked an average of 30 or more hours a week.
- Add to this amount the number of hours worked per week by non-full time employees divided by 30.

Example: Mike owns a business with 20 employees. He has

- 15 employees working an average of 40 hours per week
- 2 employees working an average of 15 hours per week
- 1 employee working an average of 25 hours per week
- 2 employees working an average of 27 hours per week

Here's how Mike calculates his FTEs:

- Number of full-time employees = **15**
- Non full-time employee hours $(15+15+25+27+27) \div 30 = 3.6$ or **3** FTEs (always round down when calculating FTEs)
- Mike has **18** FTEs

Once your business is determined to be eligible for coverage in the SHOP Marketplace, as a business owner, you, your spouse, and your dependents may sign up for SHOP coverage.