



July 3, 2013

Affordable Care Act Provisions Delayed

Employer Shared Responsibility (section 4980H) and

Reporting (sections 6055 and 6056) Delayed until 2015

Late yesterday the US Department of Treasury released a Treasury Note communicating the delay of two key provisions of the Health Care Reform Law until 2015. The two provisions that have been delayed are the mandatory employer and insurer reporting requirements and the employers shared responsibility payments, more commonly known as the pay or play regulations for large employers.

The Treasury Note indicates the delay in the reporting requirement is in response to dialog with businesses indicating the complexity of meeting this requirement. The delay is designed to meet two goals. First it is intended to provide additional time to simplify the new reporting requirements and second, it will provide additional time to adapt reporting systems. The communication is requesting voluntary implementation of the reporting requirement in 2014 to allow for “real-world testing” and a smoother transition to full implementation in 2015.

Without the required reporting there is no way to enforce the employer shared responsibility provisions under section 4980H of the law. The Treasury Note extends this transition relief to the pay or play penalties. No penalties will be enforced until 2015.

The information released yesterday did not provide details on the impact of these delays on other ACA provisions. As additional details become available they will be shared.

What must employers do?

If you are a Large Employer as defined by the ACA (50 or more full time equivalent employees) you will not be subject to penalties in 2014 for not meeting the pay or play mandates. This would include:

- Offering coverage to 95% of your full time employees, where full time is defined as working 30 hours or more per week
- Providing adequate and affordable coverage. Adequate coverage is defined as providing at least 60% minimum value and affordable coverage is defined as costing employees less than 9.5% of their household income for single coverage.

Where to get more information?

The following link provides the full text of the Treasury Note:

<http://www.treasury.gov/connect/blog/Pages/Continuing-to-Implement-the-ACA-in-a-Careful-Thoughtful-Manner-.aspx>

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