

EMPLOYMENT SERVICES ALERT

7/3/13

Obama Administration Delays Affordable Care Act's Employer Mandate and Reporting Requirements Until 2015

The Obama administration announced on July 2, 2013, that it will delay enforcing two key parts of the Affordable Care Act (ACA) until 2015, including the ACA's reporting requirements and the requirement that businesses provide health care coverage to employees or pay a penalty.

By way of background, the ACA requires information reporting by insurers, employers and other parties that provide health insurance coverage. The Obama administration expects to publish rules implementing these provisions this summer, after discussions with industry stakeholders. Mark Mazur, Assistant Secretary of the Treasury, stated that the administration decided to delay implementing these rules because of concerns from the business community about their complexity and the need for additional time to implement them. According to Mazur, delaying implementation of the reporting requirements until 2015 will allow the administration to consider ways to simplify the new reporting requirements and give businesses additional time to adapt health coverage and reporting systems.

The ACA also requires businesses with 50 or more employees to provide health insurance or pay a penalty of \$2,000 per employee (the employer "pay-or-play" mandate). Since employer penalties can only be assessed based on the new information reporting requirements, the administration is also delaying the pay-or-play mandate until 2015.

The administration will publish formal guidance describing this delay within one week. However, it "strongly encourages" employers, insurers, and other reporting entities to voluntarily comply with the reporting requirements in 2014, in preparation for the full enforcement of the law in 2015. The administration also encourages employers to expand health care coverage for employees before the pay-or-play penalties go into effect.

Lastly, Mazur stated that the administration's delay of these requirements will not affect the timing of any other provision of the ACA, such as the new health insurance exchanges. Valerie Jarrett, Senior Advisor to President Obama, recently announced that the federal government is still "on target" to open the health insurance exchanges on October 1, 2013.

Roetzel remains ready and able to assist you with all of your ACA compliance issues. For additional information, please contact any of the following attorneys:

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