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Employer Mandates of Health Care Reform on Hold Reporting and Penalties Delayed until 2015

The Treasury Department issued a statement late yesterday, Tuesday, July 2, stating that:

Reporting Delayed. **Employer reporting and self-funded medical plan and insurer reporting under Health Care Reform will be delayed until 2015.** *In other words, employers will not have to report to exchanges or the IRS whether or not any or all full-time employees are covered under the employers' medical plans.*

Employer Shared Responsibility Delayed. **As a result of the delay in reporting, the IRS will have no way to assess the employer mandate penalties, so these penalties will also be delayed until 2015.** *In other words, neither the sledge hammer penalty (\$2,000 for all full-time employees), nor the tack hammer penalty (\$3,000 for some full-time employees) will apply in 2014, even if an employer fails to cover 95% of its full-time employees or to offer affordable coverage with minimum value.*

Other Provisions Not Delayed. The IRS announcement indicated that no other provisions of Health Care Reform relating to employer responsibilities or otherwise will be affected by this announcement. Therefore, we anticipate, for example, that other fees will continue to apply and be assessed.

Individual Subsidies for Exchanges. Individuals enrolling in exchanges will still be eligible for subsidies under the same rules already announced.

Further Guidance. According to the news release, the Treasury Department will be issuing further regulatory guidance on the delay later this week.

Below is a link to the announcement:

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

We will keep you apprised of the latest guidance when it is issued.

For more information on this subject, please contact Amy Heppner (404.888.8825), Don Mazursky (404.888.8840), Kelly Meyers (404.888.8838) or Carl Lammers (404.888.8872).

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