



## **White House delays health insurance mandate for medium-sized employers until 2016**

Under new rules announced Monday by Treasury Department officials, employers with 50 to 99 workers will be given until 2016 — two years longer than originally envisioned under the Affordable Care Act — before they risk a federal penalty for not complying.

**Employers of this size will have to file reports to the government about their insurance coverage, but they won't face any financial penalties for non-coverage until 2016.**

Employers with more than 100 workers will need to cover 70 percent of their full-time workers in 2015 and 95 percent of them in 2016 and beyond in order to avoid financial penalties.

Highlights of today's rules include addressing a number of questions about how plans can comply with the employer shared responsibility provisions and phasing in provisions for businesses with 50 to 99 full-time employees and those that offer coverage to most but not yet all of their full-time workers.

The law says that anyone who works 30 hours or more is a full-time employee, and it compels many employers to offer affordable insurance to those workers and their dependents. It defines affordable as premiums of no more than 9.5 percent of an employee's income, and employers must pay for the equivalent of 60 percent of the actuarial value of a worker's coverage. Businesses that fail to do so will eventually face a fine of up to \$2,000 for each employee not offered coverage, though workers are not required to sign up for the benefits. Employers remain subject to a \$3,000 penalty each time one of those workers buys coverage on a state health-care exchange and qualifies for subsidized premiums.

Administration officials said Monday that they will issue a separate set of rules in coming weeks that will cover related questions about how employers must report their workers' insurance status to the government.

The Obama administration said while those companies will now have until January 2016 to come into compliance with the Affordable Care Act they will not be allowed to trim their workforce to get below the threshold.

The adjusted rules are meant to give companies more flexibility by allowing them to average employee hours over the course of an entire year when determining whether a worker is part-time or full-time.

In addition, final regulations will be issued shortly that aim to substantially streamline employer reporting requirements for employers that offer highly affordable coverage to all or virtually all of their full-time employees. The employer responsibility rules assist employers affected by these policies in providing quality, affordable coverage to their workers. If employers decide not to offer insurance to their employees, they will make an employer shared responsibility payment beginning in 2015 to help offset the costs to taxpayers of their employees getting tax credits through the Health Insurance Marketplace.

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