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AFFORDABLE CARE ACT ALERT

White House Delays Employer Mandate Until 2015

On July 2, the White House announced that it is delaying implementation of the ACA “employer mandate” until 2015. It would appear that the administration recognized the challenges employers face in complying with the complexities of the law (for example, determining what 30 hours “of service” means for purposes of calculating the number of full time employees an employer has), and may also be responding to businesses which were cutting back employee hours and/or not hiring in response to the looming compliance date. This delay is good news for employers, especially those at or near the 50 employee threshold. However, this is only a *delay* in the implementation of the employer shared responsibility requirements. Tracking employee hours of service should still be a priority, as employers will ultimately need to have access to accurate data. Voluntary compliance with the current law is still being encouraged for 2014 – just without the threat of a “pay or play” penalty.

As of right now, the “individual mandate” requiring all tax payers to have minimum essential health care coverage (or pay a penalty) is still set to go into effect for 2014. More guidance from the IRS is expected within the next few weeks.

A link to the Treasury Department announcement is below.

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

If you have any questions about the information contained within this alert, please contact any of the following Hancock Estabrook Affordable Care Act Initiative Team members:

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