



Employee Benefits and Compensation

February 2014

Health Care Reform's Employer Mandate Delayed Once Again

In an unanticipated move, the Treasury Department issued final rules yesterday providing that the employer mandate—scheduled to become effective on January 1, 2015—will be delayed with regard to some employers and modified with regard to others. This is the [second delay](#) of the employer mandate to provide health insurance and the insurer reporting requirements under the Patient Protection and Affordable Care Act (ACA).

The employer mandate is now delayed until 2016 for all employers with 50 to 99 employees. For employers with at least 100 employees, the mandate will continue to be effective on January 1, 2015; however, the requirement that coverage be offered to 95 percent of full-time workers has been delayed to 2016. In 2015, employers with at least 100 employees will instead be required to offer coverage to 70 percent of full-time employees.

The ACA imposes penalties on “large employers,” defined as those with 50 or more full-time equivalent employees, that either do not offer health coverage to employees or offer coverage that is not “affordable” or does not provide “minimum value.” The penalties may be up to \$3,000 per employee per year. The regulations previously provided that an employer would avoid this penalty as long as it provided coverage to at least 95 percent of full-time employees. Penalties were originally to be assessed on a monthly basis beginning on January 1, 2014.

If you have any questions about this delay and how it may affect your business, please contact any of the following attorneys:

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