



UPDATE Employee Benefits and Compensation

July 2013

Administration Delays the Affordable Care Act Employer Mandate

Late yesterday, the Treasury Department announced a delay of the effective date of certain reporting provisions of the Patient Protection and Affordable Care Act (PPACA). This delay also has the practical effect of postponing the effective date of the employer mandate provisions of PPACA, also known as "pay or play." These provisions require that certain large employers provide coverage meeting specified affordability and minimum value requirements or pay a penalty if any of their full-time employees obtain a subsidy for medical coverage through a state or federal health insurance Marketplace. The delay pushes back the initial effective date of the reporting and employer mandate provisions from the first day of the first plan year beginning on or after January 1, 2014, to the first day of the first plan year beginning on or after January 1, 2015. The Treasury Department cited the need to simplify the new reporting requirements and to give employers more time to adapt health plan coverage as the reasons for the delay.

At this point, the Treasury Department has indicated that the postponement will not affect the individual mandate, the requirement that certain individuals maintain health coverage, either through their employer or on an individual basis, or an individual's access to the premium tax credit available through a Marketplace. Although we anticipate additional guidance, it is not yet clear how, if at all, this delay will affect other employer requirements such as the [Marketplace Notice requirement](#).

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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