



SecureOne Benefit Administrators, Inc

News Alert!

Delay on Pay or Play Rules!

July 9, 2013

On July 2, 2013 the Treasury Department announced a One-Year Delay of the Pay or Play rules and the Pay or Play reporting requirements (that would have taken place in 2015 for 2014). Penalties for not offering coverage to full-time employees and dependents, and penalties for not offering affordable, minimum value coverage have been delayed until 2015. The Treasury Department noted that their actions do not affect access to premium tax credits or any other provision of the ACA.



The PCORI tax, the tax on plans to fund a temporary reinsurance program, the 90-day limitation on waiting periods, the prohibition on preexisting condition exclusions, the Exchange Notice, as well as other health insurance reforms have NOT been given a one-year delay in this announcement. The individual mandate was not delayed. Formal guidance implementing the delay is to be published next week.

According to the announcement, Treasury heard concerns about the complexity of the new employer and insurer reporting requirements under ACA and the need for more time to implement them effectively. The reporting is critical to the enforcement of Play or Pay by IRS. The IRS advisory group I serve on has been urging IRS to provide sufficient guidance on the reporting requirements at least 18 months in advance of the effective date to ensure that systems can be implemented and adequately tested. Proposed reporting rules are expected to be published this summer.

According to the announcement, the one-year delay is designed to meet two goals. First, it will provide time to simplify the new reporting requirements. Second, it will provide time to adapt health coverage and reporting systems while employers move toward adjusting health coverage to be compliant. While not mentioned, there are political motivations at play here in delaying the impact of the employer shared responsibility rule in anticipation of next year's congressional elections.

The delay signals that the Administration is open to hearing from the employer and plan sponsor community about the burdens associated with the Pay or Play rules.

SecureOne; keeping our clients informed on the "PPACA" front.



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