

How Small Biz Owners Might Be Breaking Tax Code Under ACA

News

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Sheldon Blumling was quoted in *Law Week Colorado* on March 30, 2015. The article “How Small Biz Owners Might Be Breaking Tax Code Under ACA” discussed how a large number of small business owners are unaware that reimbursing employees for individual health insurance was prohibited in 2013 under the Affordable Healthcare Act.

Sheldon echoed concerns that a number of smaller employers are unaware of the prohibition and the guidance from the IRS. “It was not uncommon in the past” for employers to reimburse their employees for individual health plans, he said.

Some small businesses, having no knowledge of the ACA guidelines from the IRS, were looking for a “best of all worlds” solution, and looking to the new exchanges set up by the ACA as an opportunity.

“It’s really taking away a tool that a lot of smaller employers were using, and there’s really not much they can do,” Sheldon said. “It’s a struggle, and I guarantee you there are still a lot of small employers out there who don’t know.”

Smaller employers should be wary of legal advice from insurance brokers and seek a Certified Public Accountant or any employment attorney, Sheldon said.

“This is not a knock on the broker industry,” he added. “Brokers are trying to help their clients, but at the end of the day, they’re not lawyers. If you’re running a small business, are you going to go get legal advice from someone who’s not a lawyer? Generally, I would hope the answer would be no.”

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