



Hot Off the Presses! Health Law Penalties delayed For Big Employers

Insights

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In case you saw headlines today, such as the one in the *Wall Street Journal* pasted below, we have attached the Treasury statement following the WSJ blurb.

from the WSJ:

The Obama administration said it is delaying penalties for large employers who do not provide health-insurance coverage to workers under the federal health-care law for 2014, the first year the provision was set to take effect. The health overhaul passed in 2010 requires companies with 50 or more workers to provide health benefits to full-time employees or pay fines starting at \$2,000 per worker.

Many large companies already provide coverage voluntarily, but some industries, particularly restaurant, retail and other sectors with significant numbers of lower-wage workers, had criticized the additional costs they would face under the provision. [\[Read More\]](#)

[OFFICIAL TREASURY STATEMENT]

Continuing to Implement the ACA in a Careful, Thoughtful Manner

Mark J. Mazur, Asst. Secretary for Tax Policy at the U.S. Dept of the Treasury

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Over the past several months, the Administration has been engaging in a dialogue with businesses – many of which already provide health coverage for their workers – about the new employer and insurer reporting requirements under the Affordable Care Act (ACA). We have heard concerns about the complexity of the requirements and the need for more time to implement them effectively. We recognize that the vast majority of businesses that will need to do this reporting already provide health insurance to their workers, and we want to make sure it is easy for others to do so. We have listened to your feedback. And we are taking action.

The Administration is announcing that it will provide an additional year before the ACA mandatory employer and insurer reporting requirements begin. This is designed to meet two goals. First, it will allow us to consider ways to simplify the new reporting requirements consistent with the law. Second, it will provide time to adapt health coverage and reporting systems while employers are

moving toward making health coverage affordable and accessible for their employees. Within the next week, we will publish formal guidance describing this transition. Just like the Administration's effort to turn the initial 21-page application for health insurance into a three-page application, we are working hard to adapt and to be flexible about reporting requirements as we implement the law.

Here is some additional detail. The ACA includes information reporting (under section 6055) by insurers, self-insuring employers, and other parties that provide health coverage. It also requires information reporting (under section 6056) by certain employers with respect to the health coverage offered to their full-time employees. We expect to publish proposed rules implementing these provisions this summer, after a dialogue with stakeholders – including those responsible employers that already provide their full-time work force with coverage far exceeding the minimum employer shared responsibility requirements – in an effort to minimize the reporting, consistent with effective implementation of the law.

Once these rules have been issued, the Administration will work with employers, insurers, and other reporting entities to strongly encourage them to voluntarily implement this information reporting in 2014, in preparation for the full application of the provisions in 2015. Real-world testing of reporting systems in 2014 will contribute to a smoother transition to full implementation in 2015.

We recognize that this transition relief will make it impractical to determine which employers owe shared responsibility payments (under section 4980H) for 2014. Accordingly, we are extending this transition relief to the employer shared responsibility payments. These payments will not apply for 2014. Any employer shared responsibility payments will not apply until 2015.

During this 2014 transition period, we strongly encourage employers to maintain or expand health coverage. Also, our actions today do not affect employees' access to the premium tax credits available under the ACA (nor any other provision of the ACA).

Mark J. Mazur is the Assistant Secretary for Tax Policy at the U.S. Department of the Treasury.