



CONNER  
STRONG &  
BUCKELEW

legislativeUPDATE

July 3, 2013

## Pay or Play Employer Mandate Delayed One Year

The Obama Administration has announced a one-year delay before the PPACA employer mandate known as “pay or play” will begin. This is welcome news for an employer industry that has been struggling with the incredibly complex employer mandate rules. Formal guidance regarding this one year “transition” period is expected to be issued within the next week.

The employer mandate — which requires large employers to offer health insurance coverage to their full-time employees — was a looming 2014 requirement and one of the most challenging aspects of healthcare reform implementation. PPACA requires information reporting by insurers and certain employers with respect to the health coverage offered to full-time employees. In an informal July 2 posting, the Administration states that the transition period is intended to allow time to simplify the new reporting requirements and adapt health coverage. Proposed rules on these reporting requirements are expected this summer and once issued, the Administration intends to work with employers, insurers, and other reporting entities to strongly encourage them to voluntarily implement this information reporting in 2014, in preparation for full implementation of the provisions in 2015.

Due to the delay in reporting, it will be impractical for the Administration to determine which employers owe shared-responsibility payments. Accordingly, no employer penalties will apply for 2014. Any employer shared-responsibility payments will not apply until 2015.

While the employer mandate has been delayed, the “individual mandate” and exchanges are still expected to take effect as of January 1, 2014. And although there are significant challenges in opening the federal exchanges on time, the White House continues to state that the Administration is “on target” to open the exchanges October 1. This employer mandate delay also does not affect employees’ access to the premium tax credits available for exchange coverage under PPACA. Nor does it affect any other provisions of PPACA, so all other implementation requirements continue.

This latest development seems to be a clear acknowledgement on the part of the Administration that these massive changes to the healthcare and health insurance system will simply take more time to implement. It also seems clear that there will now be welcome changes in the employer mandate and reporting requirements and so we’ll be watching this closely.

We will provide further updates as additional information becomes available. In the meantime, Conner Strong & Buckelew will continue to work with our clients to implement the shared-

responsibility requirements, including determining full-time employees and modeling the financial impact of various compliance strategies.

Should you have questions about this or any aspect of federal health insurance reform, contact your Conner Strong & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online [Resource Center](#).



[connerstrong.com](http://connerstrong.com)



877-861-3220



[news@connerstrong.com](mailto:news@connerstrong.com)



[Change My Preferences](#)



INSURANCE | RISK MANAGEMENT | EMPLOYEE BENEFITS



[Click here to change your email preferences or unsubscribe from all communication.](#)