

Federal Agencies Delay Automatic Enrollment for Group Health Plans

By Dana Thrasher on February 20, 2012

Recall that the Patient Protection and Affordable Care Act ("PPACA") – the health care reform legislation passed in 2010 – originally required that group health plans implement automatic enrollment in 2014. The Internal Revenue Service, Department of Labor and Department of Health and Human Services have jointly issued, in the form of "Frequently Asked Questions" or "FAQs," [guidance](#) that delays the implementation of the group health plan automatic enrollment requirement. Employers (to whom the Fair Labor Standards Act applies and with more than 200 full-time employees) have reprieve regarding the original 2014 deadline until the DOL issues final regulations that provide automatic enrollment guidance.

The FAQs detail issues regarding the requirement for employers to provide coverage to full-time employees or be subject to a penalty assessment (the "employer shared responsibility provisions"). The FAQs also provide guidance on how employers will determine whether employees are "full time employees" and how to use W-2 income rather than household income to determine whether coverage is "affordable coverage." The FAQs provide that the agencies will issue further guidance on the coordination of the employer shared responsibility provisions and the 90-day waiting period limitation (and even more specifically, the application of the waiting period limitation to part-time and seasonal employees).

This guidance provides specific examples that will assist companies in preparing for future compliance. The agencies are accepting public comments on the guidance through April 9, 2012.



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