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## **Affordable Care Act – Implementation of Employer Reporting Requirements and Pay or Play Penalties Delayed**

The Obama Administration announced informally in a [Treasury Department blog](#) yesterday that it will delay the implementation of the employer and insurer reporting requirements for a year and will not assess penalties under the employer shared responsibility provisions (the “pay or play penalty”) of the Affordable Care Act for 2014. Formal guidance is to be published within a week.

The Act requires each employer subject to the shared responsibility provisions (generally employers with more than 50 full-time workers) to file a return with the IRS containing information about the coverage it offers to its employees and which employees are offered such coverage. Prior to yesterday’s announcement, the first returns were scheduled to be filed in 2015 reflecting information on coverage provided on or after January 1, 2014. Now, no reporting will be required for 2014. According to the blog, the delay in implementation is designed to allow the Administration “to consider ways to simplify the new reporting requirements consistent with the law,” to provide employers time to adapt health coverage and reporting systems and to allow for voluntary implementation and “real-world testing” of reporting systems in 2014.

The announcement also means no penalties will be assessed on employers who fail to offer minimum essential coverage to at least 95% of their full-time employees in 2014 or who fail to offer affordable coverage that provides minimum value. Yesterday’s announcement does not delay the requirement that most Americans

have insurance in January 2014 or pay a tax penalty, and the Administration has stated that nothing in the new guidance will limit eligibility for premium tax credits through the Health Insurance Marketplaces, which remain scheduled to open October 1, 2013. The announcement also does not delay the requirement that employers distribute a notice describing the availability of coverage through the Health Insurance Marketplaces by October 1, 2013.

If you have questions regarding any aspect of this development, or other employee benefits issues, feel free to contact your Thompson Coburn attorney or any member of our Employee Benefits Group.

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