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Employee Benefits | Life Insurance | Risk Management

**TO: Clients of Sitzmann Morris & Lavis Insurance Agency**

**RE: Pay or Play Delayed**

The Obama Administration is delaying by one year the employer mandate to provide workers with coverage. Any employer shared responsibility penalties (pay or play penalty) will not apply until 2015.

See the [announcement](#) at the Department of Treasury website. Below are highlights.

- The Administration announced that it will provide an additional year before the Affordable Care Act (ACA) mandatory employer and insurer reporting requirements begin. This is designed to meet two goals. First, it will allow them 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, the Treasury will publish formal guidance describing this transition.
- The Treasury expects to publish proposed rules implementing the reporting provisions this summer.
- Any employer shared responsibility penalty payments will not apply until 2015.

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

### What's Next:

Only the employer mandate and related reporting requirements have been delayed. Employers must still comply with all other ACA provisions. For example, the elimination of annual limits on essential benefits, the 90-day waiting period (60-day for CA), no pre-existing condition exclusions, reinsurance and PCORI fees.

Employers who were hurrying to implement their measurement periods for variable hour employees may now have some breathing room. We expect the guidance in the next week to address when employers must have these in place.

Enjoy your Independence Day holiday and you will be hearing from us again in week or so!  
As always, contact your SML Account team if you have any questions.

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