



## SITZMANN ▪ MORRIS ▪ LAVIS

Employee Benefits | Life Insurance | Risk Management

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

**RE: Pay or Play Delay and Rule Changes**

The Administration announced significant changes to the employer shared responsibility provision, aka Pay or Play.

Key Provisions:

**Pay or Play Delay** – The requirement that all employers with more than 50 full-time employees provide health benefits or pay a penalty will only apply to employers with 100 full-time workers in 2015. Full-time is still defined as 30 hours per week. For employers with between 50 and 99 full-time employees the pay or play penalties have been delayed until 2016.

**“Substantially All” Redefined** – To avoid paying a penalty of \$2000 per all full-time employees, an employer must offer affordable coverage to “substantially all” of their full-time employees. The Treasury Department announced today that in 2015 employers will only have to offer affordable coverage to 70% of their full-time workers instead of 95% as previously proposed by regulations.

Employers must meet the 95% requirement by 2016. This phase-in was done to give a break to employers who might offer coverage to workers currently working 35 hours per work, but not to workers averaging between 30 to 34 hours.

**Non-calendar Plan Years** - The Administration announced that transition relief for non-calendar plan years will apply as originally proposed but now for the start of plan years mid-2015. For complete details of the transition relief please see our January 2013 [\*Insurance Brief\*](#).

What's Next:

We will provide you with more detail as it becomes available. As always, contact your SML Account team if you have any questions.

The information provided in this legislative update for our clients and colleagues is for general guidance only and is not intended to be, and does not constitute, tax or legal advice. We recommend that you consult with your tax and legal advisors for the interpretation or application of any laws for your particular circumstances and situation.