

Employer Mandate (Pay or Play) and Reporting Requirements Delayed until 2015

On July 2, 2013, the Obama Administration via the Treasury Department issued a notice that enforcement of two key provisions of Health Care Reform/PPACA will be delayed from January 1, 2014 to January 1, 2015.

The two components are 1) that certain employer reporting requirements are delayed; and 2) that a delay in the requirement for employers with 50 or more full time equivalent employees offer affordable, essential health coverage to all full time employees working an average of 30 or more hours per week or pay a penalty.

The reasons given for the delay in enforcement include recognition of the difficulty for some employers to comply with the provisions, and the lack of readiness in the reporting infrastructure. The hope is that through voluntary compliance in 2014, the government will have the opportunity to test their systems, and employers will have more time to comply.

Reporting Requirements

The lack of reporting will mean that employers are not required to report to the

state Exchanges which employees were offered affordable, essential health care (affecting the federal subsidies). Employees will be on the honor system for 2014 to disclose accurately to Exchange the details of their employment and health coverage situation.

Employer Mandate

The delay in the employer mandate is welcome news for some employers, particularly those in construction, retail, restaurant, and staffing industries. It will likely have little impact on the majority of “large” employers who already offered coverage to full time employees, and who appeared to be poised to continue that practice. According to an annual survey by the nonprofit Kaiser Family Foundation and the Health Research & Educational Trust, 98% of employers with more than 200 employees offer health benefits, and 94% of those with between 50 and 199 employees offer insurance. The biggest short-term impact for those employers is that they will not be required to redefine full time employees as those working an average of 30 or more hours per week (versus the traditional 40 hours per week definition). Employers with less than 50 full time equivalent employees remain unaffected by the employer

mandate (they were never required to offer coverage).

Nor do these delays change the planning that many employers have already begun to comply and leverage Health Care Reform. This simply gives employers a longer period with which to align their benefits with their total rewards strategies to help drive organizational goals and objectives. PPACA provides employers with a once-in-a-lifetime opportunity to fully examine the role of benefits in their talent acquisition and talent management strategies.

The delay in enforcement of a key provision provides some breathing room for that discussion, but employers should use this time wisely. The requirements are coming, and employers should be prepared to comply and leverage their preparedness and aligned strategy in advance.

We expect more detailed guidance over the next few weeks and months, and we will keep you informed as guidance appears.

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Organizational Development. Our experts in Organization Development work with each client to define their uniqueness, set business and strategic plans, define core and non-core competencies, provide executive and leadership coaching, determine and develop functional area strategy and desired outcomes, and align the strategy of the organization with the systems and daily operations.

HR Strategy Development. Alignment of HR Strategy to the overall Organizational Strategy is integral in defining, communicating, and implementing that strategy throughout the organization. Kushner & Company's national reputation in HR

Strategy allows us to provide assistance to clients in areas that include Talent Acquisition, Performance Management, Total Rewards, Training and Development, and Employee Engagement.

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