

Formal Guidance from IRS on Delayed Provisions of PPACA

Initially announced via a [Treasury Department blog](#) on July 2, the IRS has issued [Notice 2013-45](#) that officially delay several key elements of PPACA due to take effect January 1, 2014. The official announcement delays enforcement until January 1, 2015 for certain PPACA provisions regarding information reporting rules and the employer responsibility (“play or pay”) penalty for employers with 50 or more full-time equivalents (FTEs).

It is important to note, however, that the delay **only affects** the following provisions:

- Information reporting by insurers, self-insuring employers, and other parties that provide health coverage (“individual mandate” reporting), under Sec. 6055;
- Information reporting by certain employers with respect to the health coverage offered to their full-time employees (“employer mandate” reporting), under Sec. 6056; and
- Shared employer responsibility payments (“play or pay” penalties), under Sec. 4980H.

The delay in enforcement does not affect many other provisions of PPACA still due to be effective on January 1, 2014. These include, but are not limited to:

- PCORI and Reinsurance Fees
- Exchange Notices and Individual Exchange
- Individual Mandate
- Possible Medicaid Expansion and Premium Tax Credits

These delays do not change the planning that many employers have already begun to comply and leverage Health Care Reform. This simply gives larger 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 this 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 later this summer, and we will keep you informed as guidance appears.

Kushner & Company's mission is to "transform the workplace"—beginning with the recognition of the business leader's vision. Our consulting and administration teams approach every opportunity with that vision in mind by learning as much as possible about the organization and industry. Our specific areas of expertise include, but are not limited to, the following:

Healthcare Reform (PPACA). Gary Kushner's leadership in the area of HR strategy and employee benefits has made Kushner & Company the nation's leader in Healthcare Reform compliance and strategic planning. Kushner & Company's strategic approach to Healthcare Reform provides clients with the strategic, quantitative and qualitative analyses necessary to determine each client's appropriate course of action on the law's key components.

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.

Functional HR. In alignment with the organization's HR strategies, Kushner & Company's HR experts can help with the development of core HR functions, such as HR Compliance Audits, Policy and Procedure development, Handbook development, and Performance Management. Maintaining compliance with the wide number of federal and state requirements is of paramount importance to the longevity and effectiveness of HR policies and employee benefit plans. In addition to assisting in the necessary plan documentation, testing, and regulatory filings, Kushner & Company also has the ability to assist with process development such as objective 401(k) fiduciary training, Investment Policy Statement and employee benefit plan design.

Payroll/HRIS/Online Enrollment/Time and Attendance. Kushner & Company's comprehensive and integrated Payroll/HRIS/Online Enrollment/Time and Attendance system provides a unique single database option for combining many of the transactional HR functions into a single point of entry for HR and employees, and coordinated with Kushner &

Company's FSA, HRA, COBRA, and Retirement Plan Administration. By relieving HR of these important but time consuming and high compliance risk functions, our consultants can then assist HR professionals to provide the highest value possible to their organization.

Flexible Spending Account (FSA) and HRA Processing. *Kushner & Company can provide claims processing for Health FSA, Dependent Care, Transportation/Parking, and HRA plans. Our dedicated, client-specific processing teams provide daily claims processing, no cost direct deposit of reimbursements, online claim entry with receipt attachment, participant debit cards, and highly trained customer service. We offer seamless processing of new hire, employment and personal changes, and termination when integrated with Kushner & Company's other services.*

COBRA Administration. *Kushner & Company's COBRA administration provides the processes and tools necessary to maintain compliance with COBRA, particularly with Initial Notices and Qualifying Event Notices. When integrated with Kushner & Company's other services, we offer seamless processing of COBRA events.*

Retirement Plan Administration. *Working with the financial advisor of your choosing, Kushner & Company offers plan design and administration to ensure your retirement plan is a vital part of your total benefits program. We offer TPA services that will assist you whether your plan is a basic safe harbor plan or a new comparability profit sharing plan or a cash balance/401(k) combination plan. Kushner & Company prepares year-end discretionary illustrations and allocations, performs non-discrimination testing and prepares signature-ready IRS government forms. Kushner & Company's integrated payroll service also reduces the burden of payroll uploads, eligibility determination and regulatory participant notice distribution.*

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