



## Employer Healthcare Mandate Transition Relief Announced

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This week, the Treasury Department announced transition rules that delay implementation of the Affordable Care Act (ACA) employer health insurance mandate for some employers and modify it for others.

The ACA requires employers with at least 50 full-time employees to offer affordable health insurance to full-time employees or face penalties. Last summer, the Treasury Department delayed enforcement of the employer mandate from January 1, 2014 to January 1, 2015. Monday, the Treasury Department again delayed enforcement of the employer mandate until January 1, 2016 for employers with fewer than 100 full-time employees (including full-time equivalents or "FTEs"). The transition relief also provides that an employer with at least 100 full time employees (including FTEs) will not be penalized in 2015 if it provides ACA-compliant coverage to at least 70 percent of its full-time employees. Previous guidance required employers to offer coverage to at least 95 percent of full-time employees.

An employer with fewer than 100 full-time employees (including FTEs) is eligible for the enforcement relief if it certifies that it meets the following conditions:

- **Under 100 Full-Time Employees in 2014:** The employer must have employed on average fewer than 100 full-time employees (including FTEs) on business days in 2014.
- **Maintenance of Workforce Size and Hours of Service.** From February 9, 2014 through December 31, 2014, the employer may not reduce its workforce or the hours worked by its employees in order to qualify for the relief. Such reductions are allowed if they are for bona fide business reasons.
- **Maintenance of Health Coverage.** The employer may not materially reduce the health care coverage it offered on February 9, 2014 during the period beginning on February 9, 2014 and ending December 31, 2014 (or ending as of the last day of the 2015 plan year for a non-calendar year plan year).

Williams Mullen will continue to monitor ACA developments. If you have questions, please contact any member of the Williams Mullen employee benefits group.

## **Related People**

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