

Affordable Care Act Employer Reporting

On February 10, 2014, the Internal Revenue Service released much-anticipated final regulations on the Affordable Care Act's employer shared responsibility mandate, which is often referred to as the "Pay or Play Rule". The final regulations retain most concepts from last year's proposed regulations, as well as adds new concepts and answers several open questions. Overall, employers will likely welcome the certainty that comes with having final regulations along with some of the new transitional relief provided.



Background

The Pay or Play Rule requires large employers to offer health plan coverage to their full-time employees or pay a tax penalty to the federal government. The Pay or Play Rule was originally supposed to go into effect in 2014. However, during 2013 the Obama administration delayed the Pay or Play Rule for one year until 2015.

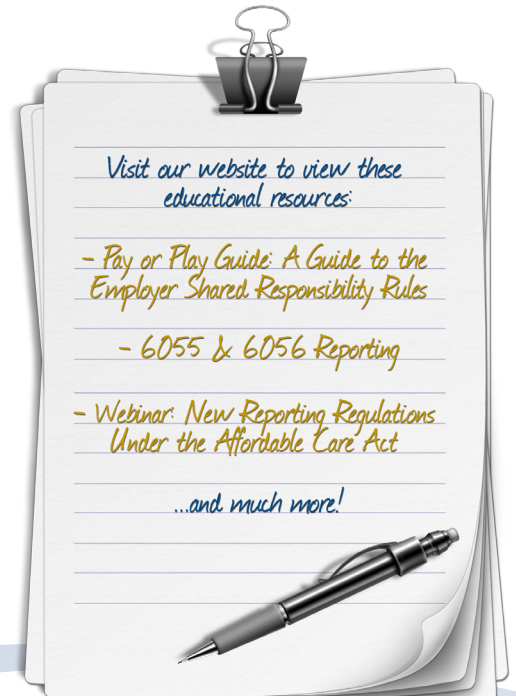
The final regulations retain the same core provisions of the proposed regulations. For example, large employers will still generally want to establish a "measurement period," "administrative period," and "stability period" to determine which employees are "full-time." Employers will now feel much more comfortable moving forward with implementing these provisions.

The new regulations are notable for the numerous relief provisions and industry-specific items they include. Most significantly, there is a one-year delay for certain mid-sized employers (those with 51 – 100 full-time and full-time equivalent employees). There is also a "grab bag" of industry-specific guidance that is generally helpful to educational organizations, tax-exempt and governmental entities, staffing companies, agricultural and recreational organizations that use seasonal employees, companies that employ home care workers, companies with employees working internationally, and companies that contribute to multi-employer health plans.

The final regulations are effective February 12, 2014 and become applicable for periods beginning January 1, 2015. However, employers may rely on the final regulations for periods before January 1, 2015.

Next Steps

Many employers were waiting to receive additional IRS guidance before continuing (or beginning) to actively prepare for the Pay or Play Rule. With the release of the final regulations, we anticipate that employers will move forward with those preparations. Employers should not wait until 2015 (or 2016 as the case may be) to develop strategies for the Pay or Play Rule. There is no "one size fits all" Pay or Play Rule strategy. Each employer's Pay or Play Rule strategy will be unique to that employer's existing health plan coverage, workforce numbers and demographics, and industry standards.



Visit our website to view these educational resources:

- Pay or Play Guide: A Guide to the Employer Shared Responsibility Rules

- 6055 & 6056 Reporting

- Webinar: New Reporting Regulations Under the Affordable Care Act

...and much more!

Affordable Care Act Employer Reporting

To help meet the growing need for assistance in ACA compliance, InfinityHR has created a comprehensive ACA Reporting Package that contains the information you need to comply with ACA regulations. Our reporting package includes the following services and features that can help you meet the ACA requirements and is designed for new clients who wish to add just the ACA module to their new InfinityHR account.

ACA Standalone Module Features

- Load of Employee Data and Health Plan Configuration
- CoreHR Training
- Initial Consultation & Configuration of ACA Settings
- Review of ACA Alerts with HR Admin
- Configuration of Hours Import into HRIS
- Consultation and Configuration of Measurement Periods
- Review of 1094-C and 1095-C reports and process for submission
- Year-end support for IRS Reporting



Please contact your authorized InfinityHR business partner for more information.