

Happy Birthday: The Affordable Care Act Turns 4

03.15.2014

Since its last birthday, new insurance exchanges have opened, deadlines have been delayed, and employers have been left wondering how to adjust to the changing landscape of employee health and welfare arrangements. We thought now would be a good time to recap the upcoming deadlines and summarize the primary issues that employers are still adjusting to and wondering about.

1. Employer Shared Responsibility Payments

- Delayed until at least Jan. 1, 2015, depending upon the size of the employer. Employers with 100 or more full-time employees will be subject to the "pay or play" penalty provisions in 2015. Medium sized employers with 50 but fewer than 100 full-time employees will be subject to the penalty provisions in 2016.
- Small employers with fewer than 50 employees are still not required to provide coverage in 2015, or in any year, under the Affordable Care Act.

2. Counting Employees:

- Employers will determine in each year whether they will be considered an applicable large employer for the next year. Employers generally average their number of employees (and hours worked) across the months in the year, though some more complicated "look back" calculations may be utilized.

3. Counting Related Employers:

PRACTICE AREAS

Employee Benefits and ERISA
Employment and Labor

Happy Birthday: The Affordable Care Act Turns 4

- Two or more companies with a common owner or who are otherwise related may be required to be combined for purposes of determining whether they are essentially a single employer and are subject to the pay or play provisions.

Certain detailed counting calculations and entity analysis may be required to determine whether or not you are a large employer or whether or not certain related entities will count for counting purposes.

If you have any questions or would like assistance with the Affordable Care Act, an FLSA audit, development of a SUB-Pay Plan or any other matters, please contact any member of our Group.