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On February 10, 2014, the IRS released final regulations implementing the Employer Shared Responsibility provision under the Affordable Care Act (ACA) for 2015 (the “employer penalty”). This guidance is lengthy and provides helpful clarification in many areas. We are in the process of reviewing the guidance, but you will find some key aspects of this rule below:

- The employer penalty will apply to employers with 100 or more full-time equivalent employees starting in 2015. For employers with 50-99 full-time equivalent employees, there is a one-year delay and the employer penalty provision will start in 2016.
- Most of the transition relief offered under the proposed regulations is extended to 2015, including some relief afforded to non-calendar year plans that may delay the application of a penalty until the first day of the 2015 plan year.
- For 2015 only, applicable large employers will avoid the penalty that applies for failing to offer health insurance coverage if coverage is offered to at least 70% of full-time employees. Beginning in 2016, coverage must be provided to at least 95% of full-time employees to avoid this penalty.
- The final rule provides clarification around certain occupations and whether these employees are viewed as full-time, including specific rules on seasonal employees, volunteers, and adjunct faculty.

We are in the process of reviewing the regulations in detail and will provide further details soon.