

Final Employer Mandate Rules Released

On February 10, 2014, The United States Treasury Department issued the Final Regulations implementing Employer Shared Responsibility Under the Affordable Care Act (ACA) for 2015. This component of ACA is more popularly known as the Employer Mandate or the Pay or Play provision. Basically, this is the section of Health Care Reform that requires certain employers offer certain employees medical coverage or face a penalty.

The following is a list of the highlights from the final rules.

- The employer mandate has been delayed for mid-sized firms (50-99 full-time employees) until 2016. Employers will have to provide appropriate certification, the process of which is defined in the rules.
- The employer mandate will apply to large firms (100 or more full-time employees) in 2015.
- For large firms to avoid employer mandate penalties, applicable employers will have to offer coverage to 70% of their full-time employees (working at least 30 hours per week) in 2015, 95% in 2016 and beyond. Penalties will still apply if the employer does not offer coverage to the appropriate percentage of employees or if the coverage offered is either unaffordable or does not provide minimum value, **and** at least one employee receives a premium tax credit through the marketplace.
- The final regulations have provided additional guidance for certain employees including volunteers, educational employees, seasonal employees, students, and adjunct faculty.
- The final rules provide additional guidance and some changes to the methods used to calculate hours of employees to determine full-time status of variable hour employees (measurement, stability and administrative periods).
- Transition relief to non-calendar year plans: Employers with plan years that do not start on January 1 will be able to begin compliance with the Employer Mandate at the start of their plan years in 2015 rather than on January 1, 2015.
- Dependent Coverage: The policy that employers offer coverage to their full-time employees' dependents will not apply in 2015 to employers that are taking steps to arrange for such coverage to begin in 2016.

Additional details can be found in the attached Treasury Department fact sheet ([click here](#)). BSI Corporate Benefits will continue to monitor developments and will keep you informed of the latest updates. Please feel free to contact us with any questions or visit our website at www.BSIcorporate.com.