



“Pay or Play” Delayed for One Year!!

The Treasury Department announced on July 2 a one-year delay of the Pay or Play rules and the Pay or Play reporting requirements (that would have taken place in 2015 for 2014). **The law requires companies with fifty or more employees to offer affordable health insurance options or face pricey fines.** Penalties for not offering coverage to full-time employees and dependents, and penalties for not offering affordable, minimum value coverage have been delayed until 2015.

Recognizing concerns about the complexity of healthcare law requirements, the Treasury Department said the deadline delay does not change the individual mandate requiring American workers to purchase health insurance or pay a tax by next year. **The PCORI tax, the tax on Plans to fund a temporary reinsurance program, the 90-day limitation on waiting periods, the prohibition on pre-existing condition exclusions, the Exchange Notice, as well as other health insurance reforms have NOT been given a one-year delay in this announcement.** Formal guidance implementing the delay was to be published by mid-July.

ACA includes information reporting (under section 6055) by insurers, self-insured employers, and other parties that provide health coverage. It also requires information reporting (under section 6056) by certain employers with respect to the health coverage offered to their full-time employees. Treasury expects to publish proposed rules implementing these provisions this summer, the agency says, “after a dialogue with stakeholders in an effort to minimize the reporting, consistent with effective implementation of the law”.

“Once these rules have been issued, the Administration will work with employers, insurers, and other reporting entities to strongly encourage them to voluntarily implement this information reporting in 2014, in preparation for the full application of the provisions in 2015. Real-world testing of reporting systems in 2014 will contribute to a smoother transition to full implementation in 2015.” Continues the Treasury’s blog: “We recognize that **this transition relief will make it impractical to determine which employers owe shared responsibility payments (under section 4980H) for 2014. Accordingly, we are extending this transition relief to the employer shared responsibility payments. These payments will not apply for 2014.** Any employer shared responsibility payments will not apply until 2015.”

Warns The Phia Group: “Driven by the individual mandate, employees will look to their employers for health benefits in 2014. If they don’t get what they want they will by into state exchanges. Because of **employer** penalties imposed when employees enroll in exchanges, **employers MUST ensure affordable, attractive coverage is made available in 2014!!** Why? If employees purchase coverage in an exchange in 2014, employers **will pay fines** and will NOT be able to shift the young, healthy lives back into their plans in 2015!”

Compiled from reports from Fox News Radio, The Phia Group, the Society of Professional Benefit Administrators, and the Treasury Department.

Supreme Court’s Invalidation of DOMA

The U. S. Supreme Court ruled in June that the Defense of Marriage Act (DOMA)—in limiting federal recognition of marriage to opposite-sex spouses—is unconstitutional. (The) challenge was brought by a woman considered married under New York state law who paid more than \$350,000 in estate taxes because her deceased partner was not recognized as her spouse for federal tax purposes. The portion of DOMA allowing states to refuse to recognize same-sex marriages from other jurisdictions was not at issue in this case and remains in effect. And neither this ruling nor the contemporaneous ruling in the (*Hollingsworth v.*) Perry case finds a constitutional right to same-sex marriage or creates any protections for same-sex couples from private discrimination.

Eliminating the restriction on marriage recognition means that federal law will look to state law to determine the marital status of same-sex couples.

Left unresolved, however, is which state law will control that determination. For example, when a couple marries in a state permitting same-sex marriage but resides in a state that does not recognize it. Specific guidance from a variety of agencies will be required on this and other issues. The President has directed his administration to review relevant federal statutes, and the IRS has announced it will provide revised guidance in the near future.