



ObamaCare Delay - What's It Mean? Great News for Employers!

As many people already know, the Obama Administration has announced that the **Affordable Care Act's "employer mandates" will not go into effect in 2014, but instead will become effective January of 2015. This means that employers are not required to offer health insurance to their employees in 2014 nor can they be charged any "shared responsibility" penalties in 2014.**

This postponement of the employer mandates from 2014 to 2015 is great news for all employers, but particularly those whose workforce includes large numbers of lower income, part-time workers - restaurants, retailers, schools, local governments, etc.

WHY THE DELAY?

The Treasury Department has indicated that **more time is needed for "large" employers to create information reporting systems to comply with the ACA monthly reporting requirements.**

We also believe that the Administration was surprised by the number of employers who were cutting part-time hours and planning to offer "unaffordable" insurance to their low income workforce. Going forward with the employer mandates as they now exist would have harmed the very people the ACA intended to help - low income uninsured workers. AccuPay had already developed a report to help employers monitor and cut hours below 30 per week, calculated on a monthly basis. Wal-Mart had already reduced the hours of their new hires in 2013 to below 30 per week - and they were not alone.

BIG WINNER/BIG LOSER

The "biggest winner" of the delay in employer mandates to 2015 will be the low income wage earner who can now go to the state exchanges and purchase medical insurance with significant premium subsidy discounts available to low income Americans.

The "biggest loser" will likely be the Federal government and taxpayers who will spend considerably more for exchange premium subsidies for low income workers and will not be collecting penalty revenue from employers.

ACA'S OTHER PROVISIONS

All of the other provisions of the Affordable Care Act scheduled for January of 2014 are supposed to go forward as scheduled. This includes each American's requirement to obtain health insurance or pay a penalty, the state exchanges/marketplaces, patient protections such as pre-existing conditions and removal of "caps" on insurance benefit payments, exchange subsidies for lower income Americans, so forth and so on.

THE OPPORTUNITY

We believe this delay in the employer mandate will provide extra time for employers to explore their options as to employees benefit packages, how the exchanges work (to include the Small Business Health Options Program ("SHOP") exchange), and to simply learn from the tremendous innovation occurring in healthcare now. We believe "consumer driven healthcare programs" will increase dramatically, to include HSA's, FSA's, and HRA's, etc.

ACCUPAY'S COMMITMENT

We have learned a lot about the Affordable Care Act and have already designed and automated 4 different reports for employer ACA information reporting and cost mitigation. AccuPay's "team lead" on the ACA, Larry Shaub, CPA, has become a "Certified Healthcare Reform Specialist," which requires continuing ACA education.

We will continue to keep our employer-clients aware of ACA news and strategies, and will continue to write PayDay's on Affordable Care Act topics. We also have had meetings with various local employee benefits consulting firms to discuss ACA planning and compliance, and will continue to do so.

NOTE - If your organization has an exceptional local benefits consultant, we would love to have their contact information. We always like to meet with local experts who can help our clients.

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