

Benefits Buzz

Benefits and HR tips brought to you by the insurance professionals at
Brown & Brown Benefit Advisors



DID YOU KNOW

Some individuals can be exempt from the ACA's individual mandate. On June 26, 2013, HHS issued a final rule on the exemptions.

The rule provides details and standards on the statutory exemptions, which are related to income, affordability of available coverage, financial hardship and membership in certain groups.

Individuals with short gaps in coverage can also avoid penalties.

Employer Mandate Delayed

The Obama Administration has postponed the Affordable Care Act (ACA) large employer mandate penalties for one year, until 2015. The Department of the Treasury announced the delay on July 2, 2013, along with a similar delay for information reporting by large employers, health insurance issuers and self-funded plan sponsors.

The delay does not affect any other provision of the ACA, including individuals' access to premium tax credits for coverage through an Exchange.

One-Year Implementation Delay

The employer mandate provisions of the ACA are also known as the employer shared responsibility or pay or play rules. These rules impose penalties on large employers that do not offer affordable, minimum value coverage to their full-time employees and dependents. They were set to take effect on Jan. 1, 2014.

According to the Treasury, the delay of the employer mandate was required because of issues related to the reporting requirement. With the reporting rules delayed, it would be nearly impossible to determine which employers owed penalties under the shared responsibility provisions. **Therefore, these payments will not apply for 2014.**

Effects of the Delay

The additional year will give employers time to understand the employer mandate rules, to make decisions about providing health coverage and to adapt their reporting systems, without worrying about potentially significant penalties.

It is unclear how the new deadline will impact guidance that has already been issued, such as the transition relief for non-calendar year plans and the optional safe harbor for determining full-time status.

DOMA Struck Down

On June 26, 2013, the U.S. Supreme Court announced its decision regarding the constitutionality of the federal Defense of Marriage Act of 1996 (DOMA). The Court struck down Section 3 of DOMA, which limited marriage to opposite sex unions for purposes of federal law.

In a 5-4 decision, the court found this definition to be a violation of equal protection rights under the U.S. Constitution, holding that same-sex couples who are legally married under state law will be entitled to equal treatment under federal law with regard to income taxes and federal benefits. However, the Court's ruling does not establish a constitutional right to same-sex marriage.

A copy of the Supreme Court's decision is available at www.supremecourt.gov/opinions/12pdf/12-307_6j37.pdf.