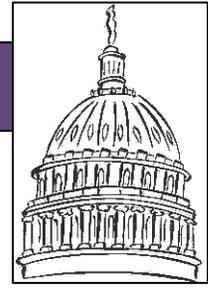




Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update #71 August, 2017

IRS Letters Address Effect of Executive Order on Employer Shared Responsibility and Individual Mandate

The IRS has released four information letters on the employer shared responsibility and the individual mandate under the Affordable Care Act (ACA). Here are highlights:

No Waivers Under Code § 4980H (Employer Shared Responsibility)

Letters 2017-0010 and 2017-0013 respond to inquiries about the application of the employer shared responsibility requirements under Code § 4980H. As background, if an employer is an “applicable large employer” (it employed an average of 50 or more full-time employee equivalents in the preceding calendar year), it is subject to potential penalties for failure to offer adequate health coverage to its full-time employees and dependents

The letters emphasize that no waivers are available under Code § 4980H, including for financial or religious reasons. They note that the executive order directing agency heads with responsibility under the ACA to minimize the law’s “unwarranted economic and regulatory burdens” did not change the ACA, and that the ACA remains in force until changed by Congress.

The Individual Mandate Continues to Apply:

Letters 2017-0011 and 2017-0017 respond to questions about the individual shared responsibility requirements (the individual mandate) under Code § 5000A. The letters explain that the law requires individuals to maintain minimum essential coverage for each month, unless they qualify for a coverage exemption, or pay a penalty when filing their federal income tax return. Like the employer shared responsibility letters, these letters state that the executive order directing the agencies to minimize the ACA’s burdens does not change the application of the individual mandate, and taxpayers remain required to follow the ACA.

While the IRS letters do not provide any new information, they provide an important reminder that these requirements remain in place for now.

Below are links to the IRS letters:

[Letter 2017-0010](#)

[Letter 2017-0011](#)

[Letter 2017-0013](#)

[Letter 2017-0017](#)

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