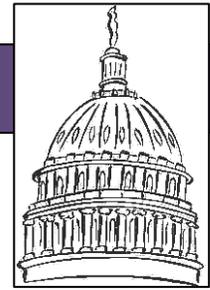




Health Care Reform Update



IMPORTANT NOTICE REGARDING HEALTHCARE REFORM Update 22 July, 2013

IRS Issues Transition Relief Rules Regarding Enforcement of the Employer Shared Responsibility Requirements

On July 2, 2013, the U.S. Department of Treasury issued a statement delaying the employer health insurance reporting requirements until January, 2015 which in turn would delay enforcement of the Employer Shared Responsibility Requirements. On July 9, 2013 the IRS issued a notice that provides guidance on the delay of enforcement of the Employer Shared Responsibility Requirements under the Affordable Care Act (ACA).

You can obtain a copy of IRS Notice 2013-45 at: <http://www.irs.gov/pub/irs-drop/n-13-45.PDF>

ACA Requirements Delayed Until January 1, 2015

- **Employer Mandate:** Employers must offer coverage to employees working an average of 30 or more hours per week.
- **Affordability:** The employee's share of the coverage cost cannot exceed 9.5% of the employee's income.
- **Minimum Value:** Coverage must provide a minimum value of at least 60%.
- **Employer Reporting Requirements:** Employers (and insurers) must provide information regarding employees and coverage in order to facilitate enforcement of the employer mandate.

Some Important ACA Requirements Not Delayed

It is important to remember that no other requirements of the ACA are being delayed at this time. Below are a few of the provisions you will need to address in 2014.

- **Exchange Notices:** Employers must distribute exchange notices to employees by October 1, 2013, and thereafter to new employees upon hire.
- **ACA Fees:** For self-funded and partial self-funded medical plans, the Patient-Centered Outcome Research Institute Fees ("PCORI Fees") must be paid by July 31, 2013, for plan years ending before January 1, 2013.
- **Annual Fee on Health Insurers (insured plans only):** Fee charged to health insurers starting January 1, 2014, averaging between \$7.90 and \$9.00 per member per month.
- **Transitional Reinsurance Fees:** A fee of \$5.25 per member per month that will be charged to health insurers and self-funded plans starting January 1, 2014.



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- **Counting Period for Employer Mandate:** Employers that need to determine whether they will be subject to the employer mandate in 2015 (50 or more full-time or full-time equivalent employees in 2014) will need to record employee hours in 2014
- **Measurement Period for Employer Mandate:** Employers will need to count employees and record hours over the applicable measurement period to determine which employees are eligible for coverage offers effective January 1, 2015, under the employer mandate

What ACA requirements for individuals remain effective in 2014?

- **Individual Mandate:** Individuals must have health care coverage or pay a penalty.
- **Exchanges:** Public exchanges are still scheduled to offer coverage effective January 1, 2014.
- **Subsidies:** Premium subsidies will be available to help eligible individuals buy policies on the exchange.

Bernie Lowe & Associates, Inc. is not providing any legal advice with regard to compliance with the requirements of the Affordable Care Act ("ACA"). Bernie Lowe & Associates, Inc. makes no representation as to the impact of plan changes on a plan's grandfathered status or interpretation or implementation of any other provisions of ACA. Bernie Lowe & Associates, Inc. will not determine whether coverage is discriminatory or otherwise in violation of Internal Revenue Code Section 105(h).