



## Affordable Care Act "Pay or Play" (Employer Shared Responsibility)

Dear Valued Client

In our ongoing effort to provide you with current information about the Affordable Care Act, this month's article focuses on the delay of the "Pay or Play" penalty payments until 2015 for large employers.

Under the original terms of the Affordable Care Act, businesses employing 50 or more full-time workers that don't provide health insurance would be penalized and would have been effective on January 1, 2014. The U.S. Treasury Department announced it will delay enforcement of the "pay or play" requirements for one year. As a result, any penalties (also known as employer shared responsibility payments) will not apply until 2015 for businesses employing 50 or more full-time/full-time equivalent employees.

According to information by the IRS, the delay is a result of transition relief being provided for 2014 with respect to certain employer and insurer reporting requirements. Such reporting will be necessary for the IRS to determine whether a penalty may be due, and, consequently, the transition relief makes it impractical to determine which employers owe shared responsibility payments for 2014.

The transition relief is therefore being extended to the "pay or play" requirements and employer shared responsibility payments will not apply for 2014. The "pay or play" requirements will be fully effective for 2015 and employers are encouraged to maintain or expand health coverage in 2014 in preparation for compliance.

The delay does not affect the application or effective dates of other Health Care Reform provisions, including the individual shared responsibility requirements and employees' access to premium tax credits for enrolling in qualified health plans through the Health Insurance Exchanges.

Infinite Workforce is dedicated to providing you with current information to help you run your business. If you have questions relating to the Affordable Care Act or other benefits information, please contact Brenda McBride, Benefits Manager at [bmcbride@infinite-ws.com](mailto:bmcbride@infinite-ws.com), 512-271-9700, ext. 211. For human resources issues, please contact Sharon Ely at [sely@infinite-ws.com](mailto:sely@infinite-ws.com), 512-271-9700, ext. 209.