



California Association of Health Underwriters: Affordable Care Act Delays Employer Penalty

July 2, 2013 (Sacramento) The Obama administration announced today that they will delay a major provision of the ACA by one year.

A much criticized provision of the ACA, the Employer Mandate Penalty was pushed back for one year in an administration announcement today.

The provision, one that requires Employers with 50 or more full time equivalent employees to provide coverage or pay a \$2000 IRS Penalty per full time employee was delayed for one year.

A statement by a Treasury department official said that “we realize that the vast majority of businesses that will need to comply with the provision, already provide health insurance for their workers, and we want to make sure it is easy for others to do so”. The official went on to say, “We have listened to employer’s feedback, and are taking action”.

Administration officials say the extra year before the mandate is implemented will allow the government to assess ways to simplify the process.

The mandate was to take effect upon a large employer’s renewal within 2014. Since the mandate is being delayed for one year, it is not clear yet whether it will still apply at a large employer’s renewal or at the beginning of 2015.

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