On Tuesday, July 2nd, 2013, the Obama Administration announced a one-year delay in applications of penalties associated with the employer shared responsibility requirements established under the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, and the Health Care and Education Reconciliation Act, Pub. L. No. 111-152 (collectively, the ACA). As a result, applicable large employers will not be subject to a penalty if any of their full-time employees (and their dependents) receive a tax credit to obtain health insurance through an Affordable Insurance Exchange (or Marketplace) in 2014.

In a blog entry posted on the U.S. Department of the Treasury website, Assistant Secretary for Tax Policy Mark Mazur announced that the administration “will provide an additional year before the ACA mandatory employer and insurer reporting requirements begin.” Specifically, reporting requirements established under new Internal Revenue Code Sections 6055 and 6056 will be delayed until 2015, in part, due to the fact that proposed rules implementing these provisions have not yet been released. The blog post indicates that the administration intends to publish proposed rules regarding these provisions “this summer.”

In light of delaying these reporting requirements, which will limit the availability of information about employees’ access to employer-sponsored coverage, the
administration stated that it will simultaneously delay application of the penalties associated with the employer shared responsibility requirements under the ACA – commonly referred to as “the employer mandate.” The blog post goes on to say that “[w]e recognize that this transition relief will make it impractical to determine which employers owe shared responsibility payments (under section 4980H) for 2014. Accordingly, **we are extending this transition relief to the employer shared responsibility payments. These payments will not apply for 2014. Any employer shared responsibility payments will not apply until 2015.”**

The Treasury Department clarifies that this delay does “not affect employees’ access to the premium tax credits available under the ACA (nor any other provision of the ACA).” The Treasury Department blog post was followed by a White House posting in which Valerie Jarrett, Senior Advisor to the President confirms that “[s]ince employer responsibility payments can only be assessed based on this new reporting, payments won’t be collected for 2014.” This delay may be consistent with the transitional relief currently in place for dependent coverage.

At this time, the Administration has not yet published regulatory guidance setting forth the exact parameters of the delay, but has indicated such formal guidance will be available “[w]ithin the next week.” Employers should review the forthcoming guidance(s) and consult with counsel prior to taking any further actions.

Greenberg Traurig continues to monitor developments closely and will provide additional information as it becomes available.

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1 Mark J. Mazur, “Continuing to Implement the ACA in a Careful, Thoughtful Manner,” July 2, 2013. Click [here](#) to view.

2 Id.

3 Id.

4 Id.

5 Valerie Jarrett, “We’re Listening to Businesses about the Health Care Law,” July 2, 2013. Click [here](#) to view.

6 Mazur, July 2, 2013.

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