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 The ACA's Employer Mandate is delayed once again

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*The one certainty with the Affordable Care Act is that nothing is for certain. Monday the Treasury Department announced the most recent regulations regarding the Affordable Care Act's employer mandate. This is the rule that requires employers to offer affordable health insurance to full-time employees and full time equivalents (FTE), which is defined as working 30 hours or more. Affordability is defined as employee paying no greater than 9.5 percent of their income, and a plan that pays for the equivalent of 60 percent of healthcare expenses. Businesses that fail to do so will eventually face a fine of up to \$2,000 for each employee not offered coverage, though workers are not required to sign up for the benefits.*

 A large blue circle containing the text "SPOTLIGHT Employer Mandate Delayed" in white, bold, sans-serif font.
 

## SPOTLIGHT Employer Mandate Delayed

The final rules provide employers with more than 50 FTEs fewer than 100 FTEs a one year delay. These employers will not have to comply with the Employer Mandate until January 1, 2016. In addition, employers will be able to measure whether they had less than 100 FTEs in the previous year by using a reference period of at least six consecutive months, rather than a full year.

Employers that have greater than 100 workers are considered large employers, and must provide affordable coverage beginning in 2015. However, the rules now allow a phasing in of the percentage of FTEs that must be offered coverage. For 2015, large employers must offer insurance to 70 percent eligible population to avoid penalties. That increases to 95 percent by 2016.

In addition to the delay and or phasing in of the employer mandate, the final regulations also provided additional clarifications for employers:

- **Non-calendar Year Plans:** Employers will be required to begin compliance with the employer mandate as of the start date of their plan year, rather than on January 1, 2015.
- **Adjunct Professors:** the final regulations expressly allow crediting an adjunct faculty member with 2 ¼ hours of service per week for each hour of teaching or classroom time.
- **Seasonal Employees:** Those in positions for which the customary annual employment is six months or less generally will not be considered full-time employees.
- **Educational Employees:** Teachers and other educational employees will not be treated as part-time for the year simply because their school is closed or operating on a limited schedule during the summer.
- **6-month Measurement Period & 12-month Stability Period:** On a one-time basis, in 2014 preparing for 2015, plans may use a measurement period of six months even with respect to a stability period – the time during which an employee with variable hours must be offered coverage – of up to 12 months.

It is expected that the Treasury will also issue further regulations in the near future to clarify the employer reporting requirements. We will continue to keep you updated as additional regulations are released.

*Evolution Benefits Consulting is here to help with all of your employer benefits questions. Please contact us at (610) 722-0570 or [info@evoben.com](mailto:info@evoben.com) for more information. Thank you.*