

Implementation of ACA Employer Mandate Delayed

By Jessica Summers

On July 2, 2013, the Obama administration announced that it will be delaying the implementation of the Affordable Care Act's mandate that "large" employers either provide health coverage for their employees or pay penalties (commonly known as "the employer mandate"). These requirements, which are a central part of the ACA and which were previously scheduled to go into effect on January 1, 2014, will now be delayed until 2015.

In a statement published by the U.S. Department of Treasury (DOT) (available [here](#)), the administration explained that the decision to delay implementation was in response to concerns raised by employers and insurers about their ability to comply with the reporting requirements associated with the employer mandate. In the statement, the administration expressed the hope that additional time will allow them to consider ways to simplify the reporting requirements and give employers and insurers more time to prepare. From a political perspective, this decision also means that the employer mandate will now not go into effect until after the 2014 mid-term elections.

As the administration noted in announcing the change, most of the employers impacted by the decision to delay implementation already provide health coverage to their employees. This delay, however, will afford employers additional time to determine whether they are covered by the employer mandate (discussed further [here](#)) and, if so, to ensure that their coverage meets the ACA's requirements. At this time this decision will not impact the implementation of any of the ACA's other provisions, including the requirement that most individuals maintain minimum essential coverage for themselves and their dependents (the "individual mandate") which is set to go into effect on January 1, 2014. However, as the individual mandate and the employer mandate are, in some respects, interrelated it is possible that the administration may also decide to delay the implementation of the individual mandate.