



Final Regulations on the ACA Employer Mandate Released

By CAPLAW Legal Staff

On February 12, 2014, the U.S. Department of Treasury released the [final regulations](#) on the Affordable Care Act's shared responsibility provisions (commonly referred to as the "employer mandate" or "pay or play" rules) which will be enforced on a staggered basis. The final rules are similar to the proposed rules and guidance previously issued. "Large employers" (those that employ an average of 50 or more full-time and full-time equivalent employees) are still required to offer full-time employees and their dependents health insurance coverage that meets certain standards or pay a fee.

However, to ease the burden on employers, the final regulations phase in the employer mandate by requiring only employers with 100 or more employees to comply by January 1, 2015 (for calendar year plans) or the first day of the plan year beginning in 2015 (for non-calendar year plans). As long as these employers offer coverage to at least 70% of their full-time employees and their dependents (as opposed to 95%, as was originally proposed) in 2015, they will avoid the fee. Moreover, coverage for dependents will not be required in 2015 if the employer is taking steps to provide coverage for dependents in 2016. An employer may refer to, at a minimum, a consecutive six month period in 2014 (rather than the full 2014 calendar year) to determine if it is a large employer for 2015.

Employers with at least 50 full-time employees, but fewer than 100, must comply with the mandate starting on January 1, 2016. By 2016, all employers with at least 50 full-time employees will need to offer coverage to 95% of their full-time employees (and their dependents).

The final regulations also provide more guidance on certain important provisions of the law, such as how employers are to determine the number of full-time employees. For instance, the final rules clarify the definition of seasonal employees as employees that hold positions for which the customary annual employment is six months or less and explain that such employees generally will not be considered full-time employees. The final regulations allow employers to calculate employee hours using the look-back method and to exclude certain workforce activities such as hours worked by volunteers and by students in a federal or state work-study program for purposes of determining status as an applicable large employer. To learn more about the impact of the final regulations on employers see this [Legal Alert](#) from the law firm Ballard Spahr. Also, stay tuned for a full analysis of the final regulations by CAPLAW, which will be made available on our website. In the meanwhile, consider registering for the following free upcoming webinars discussing these new regulations:

Ballard Spahr Webinar: Separating Fact from Fiction: Final ACA Employer Mandate Regulations

February 26, 2014 | 12 -1 pm EST

[Register here](#)

Trucker Huss Webinar: The Employer Pay or Play Mandate - The Final Regulations!

March 4, 2014 | 12 -1:30 pm EST

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