



## What's in the penalty delay?

### Key details for employers to understand and act on penalty delays related to health care reform.

Delays have played a dramatic role in the now four-year rollout of health care reform. Though many parts of the law are in place, the government's announcement on Feb. 10, 2014, issued several delays for employers that could impact their benefits decisions. Below are the key details to pay attention to for your business.



#### Businesses with under 50 full-time equivalent employees —

##### *No impact to your company*

The delay did not change any requirements for your business. Your company is still not required to offer insurance to employees, and you'll not be fined for not providing employees health care coverage. Keep in mind that you'll still need to pay attention to your full-time equivalent employee count to stay in compliance, and continue to give new hires and current employees - if you haven't done so already - notice of health care exchanges, even if you don't offer insurance. If you do offer a group health plan, your company will still need to comply with health care reform mandates such as reporting requirements.

Learn more about requirements that apply to your business: [Health care reform provisions for small businesses with <25 employees](#).

#### Businesses with 50–99 full-time equivalent employees —

##### *The delay gives your company more time*

The delay announcement gives your company more flexibility to phase in health care coverage. Originally, your company needed to comply by Jan. 1, 2015, but now your company has until the following year, Jan. 1, 2016, to offer health insurance that meets affordable, minimum value requirements to all full-time equivalent employees and their dependents or face a penalty.

#### Businesses with 100 or more employees —

##### *The delay relaxes the mandate for the first year*

Your company still needs to comply with health care reform by providing affordable, minimum value health care coverage to full-time employees and their dependents, but the government announcement gives your company flexibility to only offer the benefits to 70 percent of your full-time workforce, instead of 95 percent, for the first year. The requirement to offer coverage to 95 percent of full-time employees phases into practice Jan. 1, 2016, and remains in effect for subsequent years.

If your company did not offer health care coverage to dependents of full-time employees in 2013 or 2014, transition relief is available to help meet the requirement. Your company will not be penalized in 2015 for not offering health care coverage to dependents of full-time employees, as long as you are taking steps in 2014 and 2015 to provide dependent coverage in 2016.



**To determine if these rules apply to your company, see:**

- » [irs.gov/uac/Newsroom/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act](https://irs.gov/uac/Newsroom/Questions-and-Answers-on-Employer-Shared-Responsibility-Provisions-Under-the-Affordable-Care-Act)
- » [aflac.com/healthcare\\_reform/articles/make\\_sense\\_of\\_business\\_size\\_under\\_the\\_aca.aspx](https://aflac.com/healthcare_reform/articles/make_sense_of_business_size_under_the_aca.aspx)

**To view the U.S. Treasury Department Fact Sheet discussing penalty delays, see:**

- » [online.wsj.com/public/resources/documents/ACAFactSheet02102014.pdf](https://online.wsj.com/public/resources/documents/ACAFactSheet02102014.pdf)

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