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## BLOGS

Health Care

# Equal Coverage Requirements of Affordable Care Act Delayed

Employers are continuing to feel the impact of and to respond to the federal Affordable Care Act. Just today, it was reported that Target Corporation will be no longer offer health insurance benefits to its part-time employees. The company explained that the change was related to the new health care landscape, low enrollment of part-time workers in its health benefits, and the ability of part-time workers to obtain insurance through health care exchanges created under the ACA.

In other ACA news, the Internal Revenue Service has announced that it will delay enforcement of the ACAs so-called non-discrimination requirements until the IRS drafts and finalizes nondiscrimination regulations. The ACAs nondiscrimination requirements were supposed to go into effect in 2010, but were still awaiting the IRS regulations. When adopted, the IRS regulations will relate to the ACAs prohibition on employers providing better health care coverage to highly compensated individuals such as top executives. Employers that violate the ACAs nondiscrimination requirements can lose tax benefits that apply to employer-sponsored health insurance.

The IRS delay in enforcing the ACAs non-discrimination requirements is one of several recent delays in the implementation of important ACA provisions. In the short-term, the delay will allow employers that offer health benefits through an outside insurer to continue to offer better health benefits to executives and other highly-compensated employees. Its important to remember, however, that employers with self-insured health plans are subject to long-standing non-discrimination requirements that are unaffected by the ACA or the delay in enforcement of the ACAs nondiscrimination requirements.

While not all employers are impacted by these recent ACA developments, the evolving and shifting ACA landscape makes it important for all employers to continue monitoring the ACAs rollout. In addition to the delayed IRS regulations, we are still awaiting final regulations on other critical ACA provisions and are seeing delays in the implementation of aspects of the ACA. To know how your workplace is affected, it is important to continue to be vigilant in monitoring ACA developments.