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Treasury Issues Reporting Delay

In a developing story this evening, the Department of Treasury has announced its intention to postpone information reporting requirements by employers and other parties that provide health coverage. As proposed, the delay would only apply to 2014. The information reporting requirements were cumbersome and postponing these requirements is certainly beneficial to employers.

In addition, Treasury has said the following –

"We recognize that this transition relief will make it impractical to determine which employers owe shared responsibility payments (under section 4980H) for 2014. Accordingly, we are extending this transition relief to the employer shared responsibility payments. These payments will not apply for 2014. Any employer shared responsibility payments will not apply until 2015.

During this 2014 transition period, we strongly encourage employers to maintain or expand health coverage. Also, our actions today do not affect employees' access to the premium tax credits available under the ACA (nor any other provision of the ACA)."

The above Treasury statement appears to suggest that Treasury is delaying the effect of the entire employer mandate to provide health coverage until 2015. What this means for the employer mandate and the proposed regulations that were issued in January 2013 is unclear. We will need to wait for Treasury to issue official guidance, which hopefully will come shortly. We will be following up on this dramatic turn of events, as new information is released. If you would like to see the official Treasury statement it is linked here.