

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury and IRS Issue Final Regulations Implementing Employer Shared Responsibility Under the Affordable Care Act for 2015

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Employer responsibility provisions begin in 2015; future rules will simplify reporting for businesses

WASHINGTON - Today, the U.S. Department of the Treasury and the Internal Revenue Service (IRS) issued final regulations implementing the employer responsibility provisions under the Affordable Care Act (ACA) that take effect in 2015. In addition, final regulations will be issued shortly that aim to substantially streamline employer reporting requirements for employers that offer highly affordable coverage to all or virtually all of their full-time employees. The employer responsibility rules assist employers affected by these policies in providing quality, affordable coverage to their workers. If employers decide not to offer insurance to their employees, they will make an employer shared responsibility payment beginning in 2015 to help offset the costs to taxpayers of their employees getting tax credits through the Health Insurance Marketplace.

“While about 96 percent of employers are not subject to the employer responsibility provision, for those employers that are, we will continue to make the compliance process simpler and easier to navigate,” said Assistant Secretary for Tax Policy Mark J. Mazur. “Today’s final regulations phase in the standards to ensure that larger employers either offer quality, affordable coverage or make an employer responsibility payment starting in 2015 to help offset the cost to taxpayers of coverage or subsidies to their employees.”


The final rules issued today implement the employer shared responsibility provisions of the ACA, under section 4980H of the Internal Revenue Code. The rules make a number of commonsense improvements in response to input on the proposed regulations issued in December 2012.

Highlights of today’s rules include addressing a number of questions about how plans can comply with the employer shared responsibility provisions; ensuring that volunteers such as firefighters and emergency responders do not count as full-time employees; and phasing in provisions for businesses with 50 to 99 full-time employees and those that offer coverage to most but not yet all of their full-time workers.

How the policy affects employers:

- **Small Businesses with fewer than 50 employees: (about 96% of all employers):** Under the Affordable Care Act, companies that have fewer than 50 employees are not required to provide coverage or fill out any forms in 2015, or in any year, under the Affordable Care Act.
- **Larger employers with 100 or more employees (about 2% of employers):** The overwhelming majority of these companies with 100 or more employees already offer quality coverage. Today’s rules phase in the percentage of full-time workers that employers need to offer coverage to from 70 percent in 2015 to 95 percent in 2016 and beyond. Employers in this category that do not meet these standards will make an employer responsibility payment for 2015.
- **Employers with 50 to 99 employees (about 2% of employers):** Companies with 50-99 employees that do not yet provide quality, affordable health insurance to their full-time workers will report on their workers and coverage in 2015, but have until 2016 before any employer responsibility payments could

apply.

For more information, see the fact sheet [here](#)  and the final rule [here](#).

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