Health Care Reform
It’s time for employers to roll up their sleeves in 2015.

This year promises to be a big year for health care reform. The controversial employer mandate, delayed one year for larger firms, took effect on January 1. The IRS announced transition rules for those employers to ease the burden for 2015. Midsize employers were given another year to comply, but the reporting requirements of the Affordable Care Act’s (ACA) are in full force and effect this year for large and midsize companies. Meanwhile, the political landscape has shifted, with Republicans now firmly in control of both houses of Congress. The only thing that is certain is that every employer has plenty of work to do in 2015.

The ACA requires applicable large employers to offer minimum essential health care coverage to “all” of their full-time employees or face a substantial penalty. Any with 100 or more full-time employees (including full-time-equivalent employees) were required to begin offering coverage on January 1, one year later than originally planned. Those with 50 to 99 full-time and full-time-equivalent employees need not comply until 2016.

While employers scramble to comply with the law, the fight over the future of health care continues as Republicans take over control of both houses of Congress. On January 8, the House passed legislation to modify the ACA’s definition of full-time employee, changing the threshold hours from an average of 30 hours per week to 40 hours per week. Critics of the law contend that employers are responding to the 30-hour threshold by reducing employee hours and are hurting the job market. The Senate, which is also under Republican control, is expected to vote on the legislation despite President Obama’s vow to veto it.

Regardless of how many full-time employees an employer has, there is plenty of work to do this year. Larger firms need to comply fully, midsize employers need to prepare to comply and report coverage, and small businesses need to count their full-time and full-time-equivalent employees to make sure they remain exempt. Employers of any size should keep one eye on Washington, D.C., in case the rules change now that the game has started.