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## **\*CLIENT ALERT\***

### **Patient Protection and Affordable Care Act of 2010 What Every Employer Needs To Know**

As we get closer to key milestones in the Patient Protection and Affordable Care Act of 2010 (PPACA), it is likely that you will see increased political dialogue and media coverage of this important issue. Despite the varying political views on the subject of national health care, it is important for all employers to know that there are certain key provisions that require all employers to take actions in the very near future. This client briefing will help outline some of the key updates to a constantly evolving area of the law. As always, feel free to call for advice on complying with these new provisions or to seek clarification on how you may protect your business in the wake of this evolving climate.

#### **Mandatory Employer Notice Requirement – October 1, 2013 Deadline**

All employers are required by PPACA to provide written notice by October 1, 2013 to each of your employees who are subject to the Fair Labor Standards Act. This written notice must provide general information about health care exchanges as well as specific information about health insurance plans offered by the employer, if any.

The purpose of the written notice is to allow employees to make informed decisions during the initial open enrollment of the exchange which is scheduled to take place between October 1, 2013 and March 31, 2014.

In Michigan, the State Legislature and the Governor have not yet reached agreement on specific details of the Michigan Exchanges, so expect this information to continue to evolve over the next several months.

If you need assistance in drafting your mandatory employee notice, please feel free to contact:

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965-2121 x 212

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**IRS has delayed Penalty Provisions associated with PPACA until January 1, 2015**

Under the original PPACA, “applicable large employers” were required to pay a penalty effective January 1, 2014 if the employer failed to provide health care coverage for employees or failed to provide coverage that met minimal federal standards. An applicable large employer is typically viewed as an employer of at least fifty full time employees. In an announcement on July 9, 2013, the IRS announced that it was delaying the implementation of the penalty provisions for one year, until January 1, 2015.

While this does provide employers with some level of relief as they determine how best to implement the PPACA provisions, the IRS is still encouraging voluntary compliance in 2014 so that it can work through the reporting requirements under the Act.

### **Other Considerations**

As is typically the case with an evolving area of the law, there are specific situations that each employer may have that require specialized research. For example, there are provisions in the PPACA that provide certain religious belief exceptions to the requirement to provide preventative contraceptive care for women. These exceptions currently only apply to certain non-profit entities and for-profit entities that have grandfathered plans. Similarly, the State of Michigan has already taken certain actions to exclude some levels of coverage from Michigan Health Exchanges, and may take further actions in the near future.

Should your company have an interest in following the evolution of the health exchanges in Lansing, please contact our firm’s Government Affairs Practice Group for assistance:

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