



## Special Edition

### Obama Administration DELAYS Employer Mandate in Affordable Care Act

Big news out of Washington, DC during an otherwise sleepy week on Capitol Hill. **The Obama Administration yesterday announced a ONE YEAR DELAY (or "transition relief") of the employer mandate portion of the Affordable Care Act (ACA) currently scheduled to take effect on January 1, 2014.** The mandate would require employers with 50 or more full-time equivalent workers to provide health insurance at prescribed levels or to face penalties and fees starting at \$2,000 per worker. The Treasury Department, which is in charge of implementing the employer mandate, conceded that the reporting requirements and compliance burdens facing businesses were too complex at this time and that the mandate would be delayed until 2015 to allow both the Administration and employers more time to understand the rules surrounding this key pillar of the 2010-passed ACA.

In terms of policy, the Congressional Budget Office (CBO) had estimated that penalties and fees assessed on employers would have reduced the federal deficit (and thus "paid for" the ACA) by \$5 billion in 2014; however, CBO also estimated that only a small portion of the currently uninsured would gain new coverage solely because of the provision, as many "large" (more than 50 workers) companies already provide coverage (this is certainly true in our industry). The other two key parts of the ACA - the individual mandate and the government-managed health subsidies and federal/state health insurance exchanges - remain unchanged at this time.

From a practical standpoint, Printing Industries of America has already been lobbying Congress to make such a move amid growing concerns and confusion amongst our membership about the rules of the road for employers. We recently offered support of bipartisan legislation by Sens. Donnelly (IN) & Collins (ME) that would change the definition of a full-time worker from 30 hours per week (ACA definition) to the standard 40 hours per week. We also offered support of legislation by Rep. Messer (IN) to raise the threshold from 50 to 100 workers. These are just two examples of controversy associated with the employer mandate. Keep in mind, however, that Printing Industries of America has been a long-time advocate of legislation sponsored by Sen. Hatch (UT) and Rep. Boustany (LA) to eliminate completely the employer mandate. Policy indications are that the employer mandate - regardless of when it is implemented - is not going to reduce the costs of covering more workers in our industry and throughout the country.

**At Print's Voice '13, many printing execs in attendance told their Senators and Representatives first-hand about their concerns regarding the mandate.** One printer told Congress that he was seeking all ways possible to stay at his employee headcount of 48 - and the "no growth" plan was due directly to the concerns about what costs and regulations he might face if he tipped the scale to the "over 50" threshold. Another printer shared with his Senator the concern that lowering the definition of full-time workers could mean many people who would otherwise find good part-time/overtime work at his plant would now be working two to three 20-hour jobs at different companies in order to earn a living. At the Print's Voice '13 policy briefing session featuring guest speaker Chairman of the House Education & Workforce John Kline (MN), Printing Industries broached the subject of a practical delay of part or all of the ACA. **By all accounts, pressure and pushback by the business community to get serious about the practical implementation and complexities of the ACA was a large part of what prompted the Administration to act to delay this contentious provision.**

Printing Industries of America will continue to work with Congress and the Administration to seek solutions that will lead to more affordable, accessible health care coverage for employees in our industry. We will continue to keep you informed as major developments to the future of the ACA occur. **Thank you for your interest and support - and have a terrific Independence Day!**

If you have a question about any of the issues above or other government affairs-related concerns please feel free to contact us at [govtaffairs@printing.org](mailto:govtaffairs@printing.org) or (202) 730-7970.

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