

Labor Dept. delays health-care notification rule

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The federal government has delayed a mandate that will require employers to notify employees about their health-care coverage options under the 2010 health care law, the Labor Department announced in January.

In a Q&A published on its website (link: <http://www.dol.gov/ebsa/faqs/faq-aca5.html>), the agency said that it will postpone the March 1 notice requirement for businesses until late summer or early fall. That's closer to the Oct. 1 deadline that states face to begin allowing millions of individuals and small businesses to enroll in health benefit plans for 2014 through state-based "exchanges."

The DOL said it postponed the notice requirement in part to give employers more time to comply, and in part because the federal government has not finalized critical regulations to implement the law.

The employee-notification rule applies to employers covered by the federal Fair Labor Standards Act. The mandate will require employers to notify employees about state-based exchanges and how to contact state exchanges. The notice will also advise employees that they may be eligible for tax credits to help them buy insurance through an exchange if they can't find affordable coverage through their employers or other programs.

The DOL said it's looking at providing model language that employers could use to satisfy the notice requirement. The agency also said it's considering letting employers satisfy the requirement by filling out a template that the Health and Human Services Department is drafting for employees to take to state exchanges.

The law requires states to set up exchanges, or health insurance marketplaces, to make it easier for Americans to shop for health benefits. Starting in 2014, federal law will for the first time require individuals to either obtain health insurance or pay a penalty.

The 2010 law gave states the option of running their own exchange, operating a joint exchange with the federal government, or deferring to the federal government. As of mid-February, 17 states and Washington, D.C., had decided to operate their own exchanges. Twenty-six states will let the federal government run their state-based exchanges, and seven states will partner with the federal government on their exchanges.

The employee notification rule is just one of the new paperwork requirements of the health care law.

Large employers subject to the law's employer mandate face additional reporting rules. For example, these businesses will be required to file annual information reports with the IRS starting Jan. 31, 2015, with information on full-time employees and their dependents. The IRS has not issued any guidance on this requirement yet.

And most employers who provide health plans will be required to add information about the value of such plans on employees' W-2 forms. The mandate took effect this year for employers filing more than 250 W-2 forms for calendar year 2012, and will apply to smaller employers next year. The reporting mandate is for information purposes only; neither employers nor employees will be taxed on the value of health benefits reported on W-2s. The IRS website offers details (link to <http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage>)

The National Restaurant Association provides ongoing information on the health care law through its Health Care Knowledge Center, Restaurant.org/Healthcare.