



IRS Expected To Begin Enforcing Affordable Care Act Penalties On Employers By Late 2017

Wesley Covert
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On his first day in office, President Trump issued an Executive Order which directed federal agencies to exercise authority and discretion permitted to them by law to reduce the potential burden imposed by the Affordable Care Act (ACA). To date, the IRS has yet to issue an enforcement letter for the ACA's Employer Shared Responsibility Mandate (which penalizes large employers that do not offer certain qualifying health coverage to full-time employees). Arguably, the Executive Order, the political efforts to replace or repeal the ACA, and the lack of enforcement may have led employers to believe there would be no enforcement of the Employer Shared Responsibility Mandate. The IRS has dispelled that belief in recent informational letters. The IRS has taken the position that despite the Executive Order, the ACA is still the law of the land and the IRS has no discretion within the ACA to not enforce the law. As such, it is expected that the IRS will begin sending enforcement letters later this year to large employers. Here is a link to IRS FAQs which outline the IRS' intention to begin enforcing the ACA Employer Shared Responsibility Mandate. Based on the IRS' representations, employers need to anticipate continued compliance with the ACA despite the Trump Administration's Executive Order.

Attorneys

Wesley H. Covert

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