



## **IRS provides official guidance on ObamaCare transition relief**

In our continuing effort to provide you with the most up-to-date information regarding the implementation of the Patient Protection and Affordable Care Act (PPACA) we are providing this summary of the IRS' Notice 2013-45 (July 10, 2013); which provides official guidance on the transition relief relating to the information reporting and employer shared responsibility provisions of the Act.

On July 2, 2013 the Administration announced that certain information reporting due to go into effect on January 1, 2014 would be delayed a year until January 1, 2015. This reporting delay also made the application of the employer shared responsibility provisions of the Act impractical and so these were included in the postponement as well.

The key thrust of Notice 2013-45's guidance seems to be on encouraging voluntary compliance with reporting requirements for 2014. While the IRS seems to recognize the need of employers, insurers and other reporting agencies to have more time to adapt their systems before the "official" implementation date, the notice states: "Real-world testing of reporting systems and plan designs through voluntary compliance for 2014 will contribute to a smoother transition to full implementation for 2015."

Also important to note is that the guidance clearly answers the question about this transitional period's effect on other provisions in the PPACA by saying: This transition relief ... has no effect on the effective date or application of other Affordable Care Act provisions, such as the premium tax credit and the individual shared responsibility provisions.

We will continue to update you as more information becomes available.