Executive Order Related to the Affordable Care Act

JANUARY 20, 2017

President Trump signed an executive action allowing government agencies to review ways to reduce the fiscal and regulatory burden on individuals and others with respect to rules associated with the Affordable Care Act (ACA).

This order confirms that ACA continues to be the law of the land, and that it is the intent of the administration to seek not only a repeal, but a replacement for the Affordable Care Act at some point in the future. Legislation of this breadth may take years to enact and implement.

In the coming months, each agency that supports various provisions of the ACA will review this order and make recommendations and follow procedures that govern their agency. This is complicated legislation with a broad impact and currently includes elements that appear to have bi-partisan support, such as pre-existing condition protection and coverage of dependents until age 26. At this time, no one has specific information on replacement legislation. It is likely that change will occur over an extended period of time.

Paylocity will continue monitoring this closely through our alliances with the IRS Reporting Agent Forum, the National Payroll Reporting Consortium, and active legislative monitoring—as we do with all government compliance. Paylocity will communicate changes as they unfold, and we are committed to providing ongoing service that keeps our clients in compliance.

Q: Now that President Trump has signed the Executive Order, does that mean that I can stop offering affordable coverage to my full-time employees?

A: No, the Executive Order has not removed the employer responsibility requirement to offer affordable coverage to full-time employees. Employers should continue to meet the employer mandate provisions under ACA.

Q: Does the Executive Order change my responsibilities under the Affordable Care Act to provide employees with Information Returns (1095c) or file employer copies with IRS?

A: No, the Executive order has not removed any part of the Affordable Care Act and it remains the law of the land.

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Q: Can I stop offering coverage to employees who work 30-39 hours a week?

A: No, under the current regulations employers should continue to offer coverage to employees working 30 or more hours a week.

Q: What is the impact of the President's Executive Order on the Employer Reporting requirements; could this change Reporting Requirements?

A: The Order itself does not change the regulations that govern the Employer Shared Responsibility Mandate under the Affordable Care Act. What it does do is give direction to agencies to remove fiscal and regulatory burdens "to the maximum extent permitted by law." Such changes would generally require the agency to use standard procedures to make revisions to the current law. At this point in time the Department of Treasury and Internal Revenue Service (IRS); who oversee the employer reporting requirements under Sections 6055 and 6056 have not made any comments on whether they will make revisions to the reporting requirements.

On January 20, Reince Priebus, White House Chief of Staff also released a memo issuing a Regulatory Freeze on pending regulations, pending review by the President's new administration. It is not unusual for an incoming president to issue a regulatory freeze on new and pending regulations nor is it unusual for the outgoing administration to attempt to push several last minute regulations through before leaving office. The freeze will delay the progression of any currently pending regulations that are not deemed emergency actions and government agencies will not publish any new regulations during the freeze.

As always, should you have any questions please contact your Paylocity Account Manager.

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