

Publications

IRS Releases Final Rule Addressing “Family Glitch”

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On Tuesday, October 11, the Internal Revenue Service (“IRS”) issued a final rule amending previous regulations under the Affordable Care Act (“ACA”) that establish whether the family members of an employee have been offered “affordable” employer-sponsored health coverage, rendering those family members ineligible for the federal premium tax credit (“PTC”) (the 2022 Regulations). Individuals who are eligible for the PTC may use it to purchase subsidized health insurance on the Exchange—but the PTC is only available to individuals who do not receive an offer of affordable employer-sponsored coverage. Under the existing regulations from 2012 (the 2012 Regulations), the affordability of employer-sponsored coverage for a family member is determined based on the affordability of self-only coverage, rather than the affordability of family coverage—this has come to be known as the “family glitch.” However, under the 2022 Regulations, the affordability of employer-sponsored coverage for family members for purposes of determining their PTC eligibility will be determined based on the cost of family coverage, rather than self-only coverage. These regulations are effective beginning with the 2023 tax year.

In the article, “IRS Releases Final Rule Addressing “Family Glitch”,” by [Kathryn Amin](#), [Christine Keller](#), and [Patrick O’Neil](#) published by American Health Law Association’s Tax and Finance Practice Group, Groom attorneys discussed the impact of these 2022 IRS ACA regulations on insurance markets and employer sponsored plans and plan premiums.

To read the article, [click here](#).