

Publications

Pay Pulls: Proposed regulation on PPACA premium tax credit

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Plan Sponsor has a weekly feature to help plan sponsors understand what they need to do to prepare for the impact of the Patient Protection and Affordable Care Act (PPACA). Groom principals, Christy Tinnes and Brigen Winters, serve as the health care reform experts and field weekly questions regarding the new law. The weekly questions are compiled and published each month in the “Second Opinion” column in Plan Sponsor Magazine.

On August 17, 2011, the Department of Treasury and the IRS published a proposed regulation on the implementation of the PPACA premium tax credit provisions.

In general, the proposed regulation clarifies which individuals are eligible for federal premium assistance to enroll in a qualified health plan through an exchange and how that assistance will be calculated. Importantly, the proposed regulation also provides guidance as to the circumstances under which employers will be subject to the “shared responsibility” penalty (which some have referred to as the “play or pay” or “employer mandate” penalty). This generally applies to employers with 50 or more full-time employees and depends in part on whether an employee (or employees) of the employer receives a federal premium tax credit for health insurance coverage through an exchange.

These Q&As first appeared online in October. As health care law is rapidly evolving, there may be further developments since the initial publication.

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