



Broker Briefing

Delay of Nondiscrimination Compliance Requirements

The IRS, Department of Labor, and Department of Health and Human Services have delayed the implementation of the nondiscrimination rules for non-grandfathered plans.

The Patient Protection and Affordability Care Act (PPACA) includes a provision prohibiting insured groups from discriminating in favor of highly compensated employees, additional information on this provision is [available here](#). This exclusion had previously applied only to self-insured plans.

During the public comment period, sufficient concerns were raised over this provision for the Federal Government to announce the delay in its implementation. As a result, the Federal Government issued a notice stating compliance will not be required until clarifying regulations or other administrative guidance are issued.

What does this mean to your clients?

Until further notice, employers offering non-grandfathered group health plans will not be:

- subject to nondiscrimination penalties if they have a management carve-out or other form of eligibility criteria or product offering favoring a specific class of employees;
- required to file IRS Form 8928 (addressing excise taxes).

For more information, see [Treasury Department Notice 2011-1](#).

As always, if you have any questions, comments or need assistance, please call your Rocky Mountain Health Plans or CNIC Account Executive.

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