

Summary of Changes:

As communicated in Informational Bulletin 13-017ⁱ (August 16, 2012), the **Patient Protection and Affordable Care Act (PPACA)** was signed into law by the President on March 23, 2010; although certain provisions of the PPACA were challenged, on June 28, 2012, the Supreme Court upheld the constitutionality of the major provisions that impact local educational agencies. Provisions have been phased in starting six months after the PPACA was signed, and the phasing in will continue through 2018.

It is important to notify your employeesⁱⁱ of the changes that will become implemented in the next few years.

- **2012 W2 Reporting: QSS to pull automatically:**
 - Medical- 6511-6999
 - Dental- 2511-2913
 - Vision- 4511-4518, 4901-4908
 - Domestic partner coverage included in gross income
 - How do you handle this:
 - Hospital indemnity or specified illness (insured or self-funded), paid through salary reduction (pre-tax) or by employer
- **2013 - January**
 - Flexible Spending Accounts will be capped at \$2,500 per year.
 - Threshold for deducting medical expenses increases from 7.5% to 10% of income
- **2013 - March**
 - Employers must notify employees upon hire about the Insurance Exchange, eligibility for subsidies, and loss of employer contribution (if any) if employee purchases a plan through the Exchange.
- **2014 - January**
 - Individuals who are not provided health benefits by their employer are required to purchase through the Exchange or pay a penalty.

ⁱ <http://www.sccoe.org/docs/DBASBulletins/13-017%20HealthCareReform-final.pdf>

ⁱⁱ http://www.sccoe.org/depts/dbas/portal/bulletins_search_p.asp?searchkeyword=health+care&BCatType=