



U.S. SUPREME COURT DECISION IMPACTS INDIANA MUNICIPALITIES

The United States Supreme Court decided on June 25 in *King v. Burwell* that subsidies could be offered in States with federally-facilitated insurance exchanges, including the State of Indiana. The Supreme Court concluded that the statutory language limiting the availability of subsidies only to insurance exchanges “established by the State” must be read in the context of the entire Affordable Care Act.

The availability of subsidies is directly tied to the employer penalties imposed by the ACA. The ACA employer penalties are only applicable if a full-time employee of a large employer receives a subsidy through an insurance exchange. If the Supreme Court would have reached a different conclusion, the 30 hour rule and the employer penalties would effectively be eliminated in Indiana.

Another lawsuit filed by 39 Indiana public school corporations against the IRS regarding the ACA employer penalties is still pending in the federal district court. We will provide periodic updates as this case progresses through the federal courts.

Indiana municipalities need to prepare now for the significant IRS reporting obligations that will be effective in early 2016. Please contact your payroll provider to determine whether it will assist your municipality with these reporting requirements. The IACT Medical Trust will provide assistance to its members with these reporting requirements.

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