
THE GROUP BENEFIT NEWS BULLETIN

*****UPDATE*****

SCOTUS Upholds Individual Mandate

On Thursday, June 25th, the U.S. Supreme Court upheld the ruling that the subsidies provided to individuals for coverage purchased through the Federally Facilitated Marketplace (FFM), or exchanges, will continue to be allowed just as those provided through State-run marketplaces.

In short, this means that there will be no change to the current ACA rules as they apply to individuals and their requirement to obtain coverage for themselves and their dependents.

Background:

Hours after a D.C. Circuit Court determined that the Federal government could not legally provide tax subsidies for individual health coverage purchased through Healthcare.gov, the Fourth Circuit Court panel in Richmond, VA determined that the subsidies are indeed permissible.

The Fourth Circuit panel upheld the subsidy provision, noting that the IRS rule was “a permissible exercise of the agency’s discretion.” The panel went on to mention that the language of the Affordable Care Act is “ambiguous and subject to multiple interpretations.”

Of the roughly 5.4 million people currently enrolled through Healthcare.gov, 4.7 million (87%) of those qualify for the subsidies.

As always, TBPG will continue to monitor all updates and keep you informed of any pertinent information. If you have any questions, please contact your TBPG representative.

As always, this material is intended for informational purposes only and is not to serve as instruction or legal counsel.