

## Appropriations Bill Repeals Free Choice Voucher Requirement Under Health Reform

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The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (the "Act"), signed into law on April 15, 2011, repealed the health reform mandate requiring certain employers to provide "free choice vouchers" to lower income employees for whom the cost of the employer's health plan coverage exceeded a certain level. The repealed provision, which was to become effective January 1, 2014, impacted employers who offered minimum essential coverage to employees and paid any portion of the cost of coverage. As a result of the repeal, and conforming changes made elsewhere in the Act, employers who will be subject to a penalty when employees elect to purchase coverage through the exchange will no longer benefit from the exception that previously applied to employees who were given free choice vouchers. Employers who had calculated the pay or play costs for 2014 may find that this change impacts those numbers. Other provisions in the Act repealed the requirement, that was to become effective January 1, 2014, that employers report the largest portion of the cost paid by the employer. The Act also repealed the income tax exclusion for Indian tribal coverage. (Ca. Super. Ct. filed Feb. 4, 2011). A copy of the Act is available [here](#).