

IRS Decreases ACA Employer Affordability Percentage for 2020

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Generally, the Affordable Care Act (**ACA**) requires group health plan coverage sponsored by large employers to be "affordable" in order to avoid certain penalties. "Affordability" is based on whether the premium for employee-only coverage is less than a certain percentage of an employee's household income or an applicable safe harbor amount. In Notice 2019-29, the IRS announced that the affordability percentage for 2020 would decrease to 9.78% from 9.86% in 2019. Employers should note this change as they set premiums for 2020. Notice 2019-29 is available [here](#).