



## **Special Health Care Reform Update: [Affordable Care Act's 1099 Reporting Requirement, Free Choice Voucher Provision Repealed](#)**



**Repeal of 1099 Reporting Requirement** President Obama recently signed into law a bill that removes the expanded "1099" reporting requirement from the [Affordable Care Act](#). The provision would have required businesses to report on Form 1099 all purchases of goods and services of \$600 or more annually.

The bill, officially named the "Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011," makes the following changes to the Affordable Care Act:

- Repeals the expansion of existing requirements that businesses report information to the Internal Revenue Service on payments for goods of \$600 or more annually to other businesses; and
- Increases the amount of overpayment of premium assistance tax credits for purchasing health insurance coverage through state-based Exchanges that will be subject to repayment.

The White House announced the repeal in a [press release](#) issued April 14.

**Free Choice Voucher Requirement Eliminated** President Obama also signed into law a bill that eliminates the requirement under the [Affordable Care Act](#) that employers provide free choice vouchers to certain employees.

Beginning in 2014, employers who offer health insurance coverage would have been required to provide a "free choice" voucher for purchasing health care through state-based Exchanges to qualifying employees:

- Whose household incomes were at or below 400% of the federal poverty level; and
- Whose required premium contributions for the employer's coverage would be between 8% and 9.8% of their household income.

The dollar amount of the voucher would have been equal to the premium contribution the employer would have paid on behalf of the employee under the employer's plan.

The provision was repealed on April 15 as part of the [Department of Defense and Full-Year Continuing Appropriations Act of 2011](#).

Sincerely,

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