August 07, 2026

Acrisure's Employer Compliance Reminders, 8/7/26

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As summer winds down and vacations come to a close, store shelves fill with back-to-school supplies, signaling the start of one of the busiest seasons for employers and benefits professionals: open enrollment. At the same time, renewal season is just around the corner, bringing important discussions about benefits strategies, budget planning, and what 2027 may have in store for employers.

If you haven't yet connected with your account representative to begin the 2027 renewal process, consider this your reminder. A successful renewal requires thoughtful planning and sufficient lead time to evaluate options, review plan performance, and prepare for the year ahead.

In Case You Missed It

ACA Affordability Percentage Adjustments 2027

The IRS has released Rev. Proc. 2026-26, which reveals the inflated adjusted amount for 2027 to determine the affordability of employer sponsored coverage by the Affordable Care Act's (ACA) employer shared responsibility provision and the premium tax credit program. For plan years beginning January 1, 2027, the affordability percentage for employer mandate purposes is indexed to **10.22%**. This is a notable increase from the previous year's affordability percentage of 9.96%.

Updated 2027 ACA "Pay-or-Play" Penalty Amounts

Additionally, the IRS has released Rev. Proc. 2026-22, which updated the penalty amounts for 2027 related to the employer shared responsibility ("pay-or-play") rules under the Affordable Care Act (ACA).

Depending on the circumstances, one of two penalties may apply under the pay-or-play rules, the 4980H(a) penalty or the 4980H(b) penalty, as follows:

- **"A" Penalty:** This penalty applies when an ALE doesn't offer coverage to at least 95% of its full-time employees (and their dependents) and at least one employee receives subsidized coverage through an Exchange.
- **"B" Penalty:** This penalty applies when an ALE offers coverage, but it is either not affordable or does not provide minimum value, and an employee receives a premium tax credit through an Exchange.

Below is a chart outlining all 2027 changes:

Code Section	Penalty A	Penalty B	Affordability %
Description	Coverage not offered to 95% of full-time employees (minus the first 30 FTE)	Coverage offered, but unaffordable or is not minimum value	Premium credits and affordability safe harbors

2027	**$3,780**	**$5,670**	**10.22%**
2026	$3,340	$5,010	9.96%
2025	$2,900	$4,350	9.02%

Under the ACA, Applicable Large Employers (employers that employ 50+ more full-time equivalent employees on average in the prior calendar year) must offer affordable health insurance coverage to full-time employees. If affordable health coverage is not offered, the employer may be subject to an employer shared responsibility penalty. Health coverage is considered affordable if the employee's required contribution for self-only coverage on the employer's lowest-cost, minimum value plan does not exceed 9.96% of the employee's household income in 2027.

Employers may use one or more safe harbors in determining if coverage is affordable: W-2, Rate of Pay, and Federal Poverty Level. If coverage is not affordable under one of the safe harbors and a full-time employee is approved for a premium tax credit for Marketplace coverage, employers may be subject to the employer shared responsibility penalty.

DOL Addresses Compensability of Certain Commute Time Activities through Opinion Letter

On July 22, 2026, the U.S. Department of Labor (DOL) issued Opinion Letter FLSA2026-10, addressing whether time spent by an employee receiving pages, calling clients and other workers to schedule appointments, and driving from home to the first client appointment is work time under the Fair Labor Standards Act (FLSA) that employers must track and pay.

Current National Headlines in the News

With HR and Employee Benefits topics regularly in the news, staying current on what's really important can often be challenging. For the most current listing of those articles, read this Acrisure Benefits ***Weekly Digest***.

Upcoming Training Opportunity Reminder

Acrisure will be hosting **COBRA For Employers: Key Compliance Considerations** on **August 20 at 2 PM** ET. This webinar provides an overview of key COBRA requirements and discusses common compliance issues and practical considerations for employers. With the complexity that COBRA brings to everyone, this is a great opportunity to get back to basics.

This event is a part of Acrisure's continued education series and free of charge. Registration is required, so be sure to sign up in advance.

Compliance Disclaimer:

This communication is for informational purposes only and should not be considered legal or tax advice. Employers should consult with legal counsel or other appropriate professionals regarding their specific compliance obligations.

Attachments

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