

## HEALTH CARE REFORM UPDATE

# Legislative Update

Employee Benefits



### ACA FREE CHOICE VOUCHER PROGRAM REPEALED

The Free Choice Voucher Program provision of the Affordable Care Act has been repealed. This provision was part of the FY2011 Budget Agreement – containing roughly \$2.5 billion in cuts – that President Obama signed into law on April 15, 2011.

The Free Choice Voucher Program provision, slated to become effective in 2014, would have required employers that offer health coverage to qualified employees to provide free choice vouchers equal to the largest portion of what the employer would have paid to provide health coverage to the employee under the employer-sponsored plan. "Qualified employees" had been defined as those who do not participate in the employer health plan offered, whose share of the premium cost would have exceeded 8% but less than 9.8% of their total household income, and whose household income is less than 400% of the federal poverty level – currently \$88,200 for a family of four.

The vouchers, which would have been tax deductible and excluded from income for the employee, would have exempted employers that provided the vouchers from penalties for employees who would receive premium tax credits or cost-sharing reductions for coverage in a state exchange. Employees would have been allowed to keep any difference between the voucher amount and the cost of coverage (which would have been treated as taxable income).

We will continue to keep you updated as more information becomes available about the Affordable Care Act.

If you have questions, please contact your Mesirow Financial representative.

To view our log of health care reform updates, please visit [Mesirow Financial Responds to Health Care Reform](#)

#### About Mesirow Financial

Mesirow Financial is a diversified financial services firm headquartered in Chicago. Founded in 1937, it is an independent, employee-owned firm with more than 1,200 employees in locations across the country and in London. With expertise in Investment Management, Global Markets, Insurance Services and Consulting, Mesirow Financial strives to meet the financial needs of institutions, public sector entities, corporations and individuals. For more information about Mesirow Financial, please visit our website at [mesirowfinancial.com](http://mesirowfinancial.com).