

GROWERTALKS

SAF in the Lobby

1/1/2018

Government Begins Fining Employers for Health Insurance Non-Compliance

Society of American Florists

The Internal Revenue Service (IRS) has begun to enforce the Affordable Care Act's (ACA) requirement that large employers offer health insurance to their full-time employees. That portion of the law hasn't been enforced since the law's enactment and enforcement will be retroactive to 2015. Large employers are defined as having 50 or more full-time equivalent (FTE) employees.

President Trump issued an executive order that prevented the government from enforcing the employer shared responsibility provisions, also known as the "employer mandate," of the Affordable Care Act (ACA) as much as permitted by law. However, the Treasury Department has stated that "treasury lawyers see no ground for the Secretary to direct the IRS to not collect the tax."

In November, the Internal Revenue Service (IRS) quietly updated its Questions and Answers Page with details, penalties and guidance on the enforcement of the employer mandate. That information included a copy of the letter that non-compliant employers will receive, as well as how employers may respond and make payments.

Employers face significant fines of \$2,080 to \$3,120 per employee if they didn't offer qualifying coverage to nearly all of those who work an average of 30 or more hours a week during 2015. The per-employee fine increases each year. For employers who didn't offer coverage in 2016, the fine is \$2,160 to \$3,240, and \$2,260 to \$3,390 for 2017.

STARS

Seasonal businesses that employ seasonal workers may be unaware they're considered a large employer under ACA because of the confusing calculations required by the government. As a result, those seasonal employers may have unknowingly violated the law and could receive the fine notice from the IRS.

In order to provide relief to seasonal employers in the floral and other industries who've been struggling to understand and comply with the ACA, SAF has led a coalition of various seasonal industries to change the law and clarify the definition of "seasonal" so that employers can understand their obligations under the employer mandate.

The SAF-supported "Simplifying Technical Aspects Regarding Seasonality (STARS) Act" was reintroduced in early October in the House of Representatives.

Under current law, different definitions of seasonal, with different lengths of service, are used to determine whether a business is large or small under the ACA. The STARS Act would align definitions of what constitutes a seasonal worker and provide clarity so employers can understand and comply with the law.

SAF Supports Ongoing Downy Mildew Research

Citing the value of collaborative efforts that help build consensus on how to address the impact of downy mildews on floriculture products, SAF sent a letter in November in support of a downy mildew research project funded by the Specialty Crops Research Initiative (SCRI).

The project, titled “Applying Novel and Cost-Effective Management Strategies for Downy Mildews of Environmental Horticulture Crops,” will explore new ways to manage downy mildew, such as using light to interrupt the disease. Importantly, the research will also establish cost-conscious methods to prevent downy mildew and emphasize worker training by providing bilingual instructional materials.

Projects funded under the USDA’s Specialty Crop Research Initiative (SCRI) help growers of specialty crops, which include floral and nursery crops, as well as fruits, vegetables and nuts. The SCRI grants are funded by the USDA National Institute of Food and Agriculture (NIFA) and authorized by the 2014 Farm Bill, supported by both SAF and AmericanHort.

According to Dr. Cristi Palmer, the Ornamental Horticulture Program Manager at the USDA’s IR-4 Project at Rutgers University, a white paper was developed that summarizes discussion from a workshop hosted last year in Philadelphia. Scientists, extension personnel, growers, trade association representatives and registrants gathered to discuss what’s currently known about downy mildew diseases on floriculture crops and to propose research and outreach objectives.

Dr. Palmer noted that the research has been narrowed to four crops: coleus, impatiens, rose and viburnum. She also noted that the research team working on downy mildew plans to submit a “Stakeholder Relevancy Statement” to NIFA-SCRI to ask for funds to support research and outreach activities.

Proposed Agriculture Biotechnology Regulations Withdrawn

The U.S. Department of Agriculture (USDA) has withdrawn proposed biotechnology regulations, an action that could have an impact on development of breeding technologies used in the floral industry.

The proposed rules would have modernized federal regulations regarding importation, interstate movement and potential environmental impact of genetically engineered organisms. Frequently referred to as Part 340, the regulations, published in the final days of the Obama Administration, attempted to balance the need for new breeding techniques, while considering the risks of pest and weed infestations.

Modernizing the biotechnology regulations hasn’t been a quick and easy task. In 2008, the Bush Administration proposed updates to the regulations, only to have them withdrawn in 2015 during the Obama Administration.

It took nearly two years for the regulations to be rewritten during the Obama Administration before they were withdrawn again on November 6 by the Trump Administration. The development of final rules is critical to American agriculture. Absent updated regulations, other countries will determine their own policies, which could depart significantly from the interests of the U.S.

For the floriculture industry, with its frequent and rapid development of new varieties, the advances in breeding technologies offer a less costly and more efficient path to new cultivars than traditional breeding techniques. SAF will work with the USDA to ensure that the ability of the American floriculture industry to innovate and compete will be protected. **GT**