

ACA CURRENTLY REMAINS IN EFFECT, DESPITE TEXAS DISTRICT COURT'S RULING

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On December 14th, the US District Court for the Northern District of Texas held that the Patient Protection and Affordable Care Act (ACA) is unconstitutional. By way of background, in *Nat'l Fed'n of Indep. Business v. Sebelius (NFIB)*, 567 U.S. 519 (2012), it was Congress's authority to impose a tax under the Interstate Commerce Act that the Supreme Court upheld the constitutionality of the individual mandate and the ACA. In the present case, the district court reasoned that the "zeroing out" of the individual mandate tax penalty (effective January 1, 2019, as part of the Tax Cuts and Jobs Act) means that the individual mandate will no longer be a valid exercise of Congress's taxing authority. The district court further reasoned that the entire ACA will become invalid because the individual mandate is an essential component of the law and is "inseverable from the ACA's remaining provisions." However, because this ruling does not grant injunctive relief, employers and plan sponsors will continue to be responsible for complying with the ACA until trial court proceedings and appellate review are complete. (*Texas v. United States* (N.D. Tex. 2018))