



April 6, 2015

## Complying with Barrage of Government Regulations Hits Midsized Business Owners' Wallets

### Complexities of the Affordable Care Act Remain a Top Concern for Business Owners as Majority Lack Confidence They Can Comply with New Regulations

**ROSELAND, N.J. -April 6, 2015-** More than one-third of midsized business owners reported being fined or penalized for not complying with laws pertaining to how they manage their workforces, according to the [2014 Midsized Business Owners Study](#) conducted by ADP Research Institute®, a specialized research group within [ADP®](#), a global leader in Human Capital Management (HCM).

The third annual study surveyed more than 750 owners and executives at companies with 50 to 999 employees.

Of those business owners and executives who said their companies were fined, more than half could not say how much they paid in penalties, and 47 percent could not say how many fines they incurred. Of those who could identify the number of fines, the average was four.

"Midsized businesses spend a lot of time following and adopting rule changes in an attempt to avoid fines, yet they're still often unaware when non-compliance fines occur," said Anish Rajparia, president of Major Account Services at ADP. "It's no surprise that keeping up with the level and volume of government regulation was a top concern of more than half of the midsized business owners we polled."

According to the study, three leading reasons why midsized businesses were fined include:

1. Workers' compensation
2. Terminations
3. Secure data handling



One midsized organization facing increased challenges with compliance is the Oklahoma Children's Center Rehabilitation Hospital, a private 120-bed, nonprofit hospital with approximately 500 employees.

"We are spending more and more resources on compliance reports, which means we sometimes have fewer resources to take care of our patients," said Michael Milligan, chief financial officer of the hospital. "Things are changing dramatically as far as compliance is concerned, and the increase concerns me."

### Affordable Care Act Compliance Remains a Top Concern

This year marks the first time companies with 50 or more full-time equivalent employees, as defined by the ACA, are required to record extensive health care data under the Affordable Care Act (ACA). Yet more than half of midsized business owners say they are very or extremely concerned about it. Less than a quarter of them are extremely confident they have the tools and information they need to make decisions about the best health and benefits strategies for their companies.

Furthermore, when exploring changes to benefits strategies, most business owners haven't thought about how they would implement changes, so four out of five say they will handle administration efforts in-house.

"ACA regulations present a unique challenge for midsize business owners and executives, and those who do not understand them could be at risk of fines and penalties come 2016," said ADP's Rajparia. "It's imperative for companies that don't have the systems or processes in place to meet ACA compliance requirements to embark on a cohesive internal effort immediately and perhaps consider partnering with a third-party expert."

To obtain a free copy of this ADP Research Institute whitepaper, detailing the study's findings on the top concerns for midsize business owners, visit: <http://adp.com/MidsizeBusinessConcerns>.

For more information on the ACA visit: <http://www.adp.com/health-care-reform/> and subscribe [here](#) to receive real-time regulatory updates through our Eye on Washington email alerts.

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The ADP Research Institute provides insights to leaders in both the private and public sectors around issues of human capital management, employment trends and workforce strategy.

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