

# **Indiana Public Schools and State of Indiana File Lawsuit Against IRS over Employer Mandate**

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Fifteen Indiana public school corporations and the State of Indiana filed a lawsuit in federal court today against the Internal Revenue Service, the United States Department of the Treasury and the United States Department of Health and Human Services in connection with the Affordable Care Act. The State of Indiana serves as the lead plaintiff in the lawsuit.

All Indiana public school corporations provide comprehensive health insurance coverage to most of their employees. However, the practical reality is that most Indiana public school corporations do not have the financial resources to provide affordable, minimum value coverage to all employees who work in excess of thirty (30) hours of service per week.

The Affordable Care Act will impose significant penalties upon employers who fail to provide all of their full-time employees with affordable, minimum value health insurance. In some cases, these potential penalties would result in catastrophic financial consequences for Indiana public school corporations. To avoid this result, most Indiana public school corporations have been compelled to reduce the hours of certain non-benefit eligible employees, including instructional aides, bus drivers, cafeteria workers, substitute teachers and other part-time employees. These reductions impose hardships upon the impacted employees. Moreover, the schools believe that these reductions will have a long-term detrimental impact on the quality of education provided to children in the State of Indiana, particularly students with learning disabilities.

The lawsuit filed today challenges new IRS regulations implementing the Affordable Care Act. In addition, the lawsuit challenges the authority of the federal government to impose the employer mandate upon the State of Indiana and Indiana public school corporations.

The public school corporations are represented by Bose McKinney & Evans LLP. The State of Indiana is represented by Indiana Attorney General Gregory F. Zoeller.

A PDF copy of the complaint is below.

PLAINTIFF SCHOOL CORPORATIONS:

- Benton Community School Corporation
- Community School Corporation of Eastern Hancock County
- John Glenn School Corporation
- Madison Consolidated Schools
- Metropolitan School District of Martinsville
- Monroe-Gregg School District
- Mooresville Consolidated School Corporation
- North Lawrence Community Schools
- Northwestern Consolidated School District of Shelby County
- Perry Central Community Schools
- Shelbyville Central Schools
- South Henry School Corporation
- Southwest Parke Community School Corporation
- Southwestern Jefferson County Consolidated School Corporation
- Vincennes Community School Corporation