

Compliance Corner

January 9, 2018

Health Care Reform

IRS Extends 2018 Due Dates for Sections 6055 and 6056 Individual Statements and Extends Good Faith Relief

On Dec. 22, 2017, the IRS released Notice 2018-06, which delays the date by which informational statements must be provided to individuals and provides transitional good faith relief for reasonable mistakes made in reporting Sections 6055 and 6056 information about 2017. [Continue reading »](#)

CMS Publishes 2019 Actuarial Value Calculator Methodology

On Dec. 28, 2017, CMS finalized the 2019 actuarial value (AV) calculator methodology, which only contained small changes from the draft calculator reported on in the Nov. 14, 2017, Compliance Corner. The AV calculator is designed by HHS and CMS to help estimate the AV for a given plan design in the individual and small group markets, which is used to categorize such plans into the metal levels of coverage (bronze, silver, gold and platinum). The proposed rules describe the calculator's methodology and operation, and can be quite technical and complex. The rules primarily provide technical guidance to insurers, but contain general information regarding medical trends. [Continue reading »](#)

Federal Health Updates

Tax Reform Bill Enacted: Impact on Employee Benefits

On Dec. 22, 2017, President Trump signed H.R. 1, the Tax Cuts and Jobs Act, creating Public Law No. 115-97. The Tax Cuts and Jobs Act (2017 Tax Reform Law) made significant changes to the IRC, with its primary impact on corporate and individual tax rates and other non-benefits areas. This article is meant to summarize the changes that impact employers with respect to employee benefit offerings. [Continue reading »](#)

Two District Courts Enjoin Contraceptive Mandate Exemptions

Two federal district courts have enjoined the Trump Administration's expansion of the moral and religious exemptions to the PPACA's contraceptive mandate. As background, back in October 2017, the HHS, Treasury Department and DOL (the Departments) jointly issued interim final rules that broadened those exemptions. Specifically, the Departments' interim final rules basically allowed any employer to claim a religious or moral objection to offering certain contraceptives, including non-closely held companies and even publicly traded companies. [Continue reading »](#)

EBSA Proposes Regulations for Association Health Plans

On Jan. 5, 2018, the EBSA published proposed regulations related to the creation and maintenance of association health plans (AHPs) under ERISA. The rules are in direct response to President Trump's Executive Order dated Oct. 12, 2017, in which he ordered the DOL to propose regulations to expand access to AHPs and allow health coverage sales across state lines. [Continue reading »](#)

Announcements

Podcast Episode 21: Association Health Plans

In this episode, Suzanne Spradley and Chase Cannon discuss the newly proposed regulations related to association health plans (AHPs). The DOL's proposed regulations are a response to the Oct. 12, 2017, executive order from President Trump directing the DOL and other agencies to (among other things) expand the availability of AHPs. Suzanne breaks down the DOL's proposal, which calls for revisions to ERISA so as to redefine "employer" and allow more groups of employers to qualify as associations. The two discuss the impact on small employers, sole proprietors and other self-employed individuals, and how state and federal (including ACA) regulation of an AHP would work. [Continue Reading »](#)

Updated White Papers Now Available

The NFP Benefits Compliance team has recently updated two sets of white papers. The first is the employer reporting series, which includes white papers that address employer reporting under the ACA (IRC Section 6055 and 6056 reporting). The white papers in the reporting series have been updated to reflect 2018 due dates (for reporting on 2017 compliance) relating to filing related forms (Forms 1094/95-B and 1094/95-C) with the IRS and distributing Forms 1095-C (or a substitute statement) to employees. The series' white papers also include links to 2017 forms and have been updated to reflect other minor changes to the reporting requirements. The series includes white papers on general reporting requirements, information for employers, FAQs on codes for Form 1095-C, a flowchart, a summary of reporting obligations and pieces specifically designed as employee handouts (information explaining the purposes of Forms 1095-B and C). [Continue Reading »](#)

DOL Announces Annual Adjustments to ERISA Penalties

On Jan. 2, 2018, the DOL published a final rule adjusting for inflation civil monetary penalties under ERISA. As background, federal law requires agencies to adjust their civil monetary penalties for inflation on an annual basis. The DOL last adjusted certain penalties under ERISA in January 2017 (as discussed in the Jan. 24, 2017, edition of Compliance Corner). [Continue reading »](#)

U.S. District Court of D.C. Vacates EEOC Wellness Program Regulations Effective 2019

On Dec. 20, 2017, the U.S. District Court for the District of Columbia vacated the EEOC wellness regulations effective 2019. The decision is in response to the AARP's lawsuit challenging the EEOC's employer wellness program regulations. Specifically, the EEOC claims that the 30 percent wellness reward allowable under the regulations is too high and leads to discrimination of older Americans. Their argument is that a wellness program is no longer considered voluntary considering the high cost of health plans. [Continue reading »](#)

Retirement Updates

IRS Newsletter Highlights Several Developments Affecting Retirement Plans

In the December 2017 issue of Employee Plans News, the IRS addressed several topics related to 401(k) plans.

First, the IRS now has a webpage that summarizes recent national disaster legislation, making it easier for plan participants to access retirement plan funds to recover from Hurricanes Harvey, Irma and Maria. The webpage describes relief available for early distributions, plan loan and repayment options, and retroactive plan term amendments. [Continue reading »](#)

PBGC Expands Missing Participants Program to Include Terminated Defined Contribution Plans

On Dec. 22, 2017, the Pension Benefit Guaranty Corporation (PBGC) issued final regulations that expand its Missing Participants Program (the Program) to defined contribution plans (such as 401(k) and other plans). As background, ERISA requires plan sponsors to distribute plan assets to participants upon termination. The problem with completing that process is often that the employer cannot find certain prior employees. The Program allowed defined benefit plan sponsors who had undertaken a diligent search for these missing employees to transfer the missing employees' account balances to PBGC. PBGC would then provide those benefits to employees when they were found. [Continue reading »](#)

Form W-2 Cost of Coverage Reporting

Under the ACA, large employers must report the cost of group health coverage provided to employees on the Form W-2. The requirement applies to employers that filed 250 or more Forms W-2 in 2016. Employer aggregation rules don't apply for this purpose. In other words, the number of Forms W-2 is calculated separately without consideration of controlled groups. Indian tribes, self-funded church plans and employers contributing to a multiemployer plan are exempt from the Form W-2 reporting requirement. [Continue reading »](#)

State and Territory Updates



Massachusetts
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New York
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FAQ

What can an employer do if an employee is HSA-eligible but has withdrawn contributions? Can the employer attempt to be reimbursed? Are there any tax consequences for either party? [Read the Answer »](#)

Reference

Commonly Used Acronyms [Glossary »](#)