

EXPERT UPDATE



EXPECT AN EXPERT

Health & Welfare Benefits – Rolling into 2017

By Shari Herrle, Director of Compliance

Human Resources and benefit professionals preparing for their next open enrollment season should take time to revisit their reporting and disclosure obligations. It is not uncommon to miss a due date, forget to update a required employee disclosure, fail to remember new required notices or even neglect to properly adopt a new plan, all of which could be a source of surprise penalties and unplanned financial expense. Our benefit experts and compliance team can help you understand **exactly** what your obligations are and the due dates for each requirement, regardless of whether you have 25 employees or 10,000. For now, let's focus on what is commonly missed or forgotten by many plan sponsors and what is new for this upcoming year:

- ☐ Maintain compliant Section 125 (Cafeteria Plan) documents and salary reduction agreement.
- ☐ Make sure your benefit plans and documents have been properly adopted or amended.
- ☐ Identify and properly document who has the day-to-day responsibilities of administering your health and welfare benefits. In some cases a Board will delegate the fiduciary responsibility of the Plan to one or more corporate officers and your ERISA document(s) should reflect this.
- ☐ Ensure proper distribution of SBCs to employees – if the health issuer distributes these, tell your employees to watch for them and make sure employees considering coverage have access to them too.

Please note that the information contained in this document is designed to provide authoritative and accurate information, in regard to the subject matter covered. However, it is not provided as legal or tax advice and no representation is made as to the sufficiency for your specific company's needs. This document should be reviewed by your legal counsel or tax consultant before use.

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- ☐ **NEW** - Distribute new [updated SBC](#) beginning:
 - Fiscal year plans – First day of the first plan year beginning on or after April 1, 2017
 - Calendar year plans – First day of open enrollment beginning on or after April 1, 2017
- ☐ Dust off your HIPAA Policy – make sure your process and procedures are compliant.
- ☐ Continue to provide a properly customized Marketplace notice to new hires – Employers are beginning to receive Health Insurance Marketplace letters regarding employees enrolled in subsidized Marketplace coverage, providing the employer an opportunity to file an appeal to the Marketplace if it is believed the employee has qualified in error. Your Marketplace notice that identifies you have provided affordable coverage with minimum value benefits to full-time employees will be good documentation for the appeal process should you need it.
- ☐ Review new hire packet and OE materials to make sure all required disclosures are up-to-date and don't forget to distribute your Medicare Part D Rx notices by October 15th (HBI reminders for the Medicare Part D Rx notice will be sent out late summer).
- ☐ **NEW** – Add [wellness program notice](#) if your program collects employee health information. Visit [EEOC Q&A](#) for details.
- ☐ Consider impact of ACA affordability rules on cash opt-out incentive plans and wellness incentives.
- ☐ Make certain you are properly taxing wellness incentives, including gift cards, gym membership dues, raffle prizes, etc. as required by the IRS.

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- ☐ **NEW** – Revisit wellness incentives to determine whether the new ADA and GINA rules impact the value of your incentive, which include a cap equal to 30% of the total cost of employee-only coverage (cap applies to spouse participants as well).
- ☐ For employers with 100 or more employee participants, make sure your 5500 filing contains all health and welfare coverage that must be reported and distribute the Summary Annual Report timely. Consider whether your EAP coverage and wellness program should be reported as well – you may be surprised that these plans should be included.
- ☐ If your required disclosures are distributed to individuals electronically, make certain you are addressing employees without “work-related computer access” properly in accordance with the Department of Labor’s Electronic Disclosures Safe Harbor.

Note: The list we have prepared above does not include all your reporting, disclosure and filing requirements. Our HBI benefit experts are prepared to discuss the obligations listed above along with other requirements you have to ensure you are administering your health and welfare benefits in accordance with all regulations that apply. Please feel free to contact your HBI analyst or consultant for more information.

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