

# MONTHLY BENEFIT

News and Developments  
Employee Benefits

## Pension Tax Incentive

The Government Accountability Office's *Private Pensions: Pension Tax Incentive Update* (GAO-14-334R) provides data on the number of new retirement plans formed in 2009-2011 and on the income characteristics of participants affected by the statutory contribution limits. The study, which updates findings from two previously published reports, found that: plan formation remained relatively flat, with most new plans being defined contribution plans with fewer than 100 participants; the total number of plans declined but the number of participants rose during the decade; and a disproportionate share of participants affected by the statutory contribution limits were high income earners.

[www.gao.gov](http://www.gao.gov)

## Upcoming Key Dates

**6/15/14** (fiscal years beginning after) – Effective date of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, for public-sector pension plan sponsors and governmental nonemployer contributing entities.

**6/30/14** – Last day of permitted use of IRS pre-December 2013 Forms 5300 and 5310 for requesting determination letters.

**7/1/14** (plan years beginning on/after) – Applicable date of the Mental Health Parity and Addiction Equity Act final regulations.

**7/1/14** (with earlier application permitted) – Applicable date of IASB's *Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)*.

**10/15/14** – New PBGC flat-rate premium filing due date for large single-employer and multiemployer calendar-year defined benefit pension plans.

## Legislative Activity on the Benefits Front

Members of the House and Senate began turning their attention to appropriations bills to set spending levels for federal agencies in the 2015 fiscal year that will begin Oct. 1, but they also remain mindful of the mid-term elections. Thus, efforts to advance emergency unemployment benefits, increasing the federal minimum wage, and immigration reform remain high priorities for Democrats, while some Republican leaders indicated that "policy" riders or stipulations will be included in the appropriations bills and they continue to push for tax breaks for businesses.

During April, the following bills progressed in the House but might not advance further:

- The "Save American Workers Act" (H.R.2575), which would replace the ACA's 30-hour per week threshold for classification as a full-time employee with a 40-hour per week work requirement, cleared the House by a 248-179 vote. The White House continues to voice opposition to the measure.
- The "Expatriate Health Coverage Clarification Act" (H.R.4414), which would exempt employer-sponsored health plans and insurance for Americans living outside the U.S. from certain Affordable Care Act (ACA) requirements if specified conditions are satisfied, was approved 268-150. The White House has expressed concern about the bill in its current form.

In the Senate, the "Emergency Unemployment Compensation Extension Act" (H.R.3979) was approved by a vote of 59-38. The bill includes provisions to extend the pension funding relief under the "MAP-21" law and to permit prepayment of PBGC premiums, along with an exclusion from the ACA's employer mandate for volunteer firefighters and emergency responders. House Speaker John Boehner (R-OH) is insisting that any unemployment extension proposal include a job creation component, so the bill is not expected to see House floor action.

### Committee Activity, Administration Action

Meanwhile, the Senate Finance Committee approved the "Expiring Provisions Improvement Reform and Efficiency Act" (EXPIRE) (unnumbered bill), which would extend the tax provisions that have expired or are set to expire, including: multiemployer defined benefit plan funding provisions; employer-provided mass transit benefits; and various wage/employment-based tax credits. The House Ways and Means Committee approved six separate bills to make permanent a select group of expired business tax provisions. These bills could be packaged later with other tax extenders to represent the House's counteroffer to the Senate legislation.

*Separately*, the President signed an executive order and memorandum designed to close the wage gap for women and minorities. The directives prohibit federal contractors from retaliating against their employees who choose to disclose or inquire about their wages, and direct the Secretary of Labor to draft regulations to require contractors to submit data on compensation, by race and sex, paid to employees. ■

## CRS Reports on the ACA

The Congressional Research Service released:

- *Patient Protection and Affordable Care Act: Resources for Frequently Asked Questions (R43215)*, which provides resources to help congressional staff respond to constituents' questions about the ACA. The report includes selected resources regarding employers, consumers, and other stakeholders, with a focus on federal resources.
- *The Affordable Care Act and Small Business: Economic Issues (R43181)*, which analyzes ACA provisions most relevant to small employers.

[www.fas.org](http://www.fas.org)

## Domestic Partner Benefits

The Bureau of Labor Statistics issued *Beyond the numbers: Employer-Sponsored Benefits Extended to Domestic Partners*, which examines the frequency with which health and defined benefit retirement plans are available to unmarried, opposite-sex and same-sex domestic partners of employees.

[www.bls.gov](http://www.bls.gov)

## Public Pension Data

The U.S. Census Bureau released *Survey of Public Pensions: State- and Locally-Administered Defined Benefit Data*, which provides revenues, expenditures, financial assets, and membership information for the public pension systems.

[www.census.gov](http://www.census.gov)

## Income Data on Older Groups

The Social Security Administration released two related reports:

- *Income of the Population Aged 55 and Older, 2012*, provides a broad income picture of a cross section of the population aged 55 or older, with special emphasis on income of the population aged 65 or older. The data presented focus on the major sources and amounts of income, both separately and combined, for those age groups.
- *Income for the Aged Chartbook, 2012*, which provides data about individuals aged 65 or older, including total income, sources of income, shares of aggregate income, family income, and poverty status based on family income.

[www.ssa.gov](http://www.ssa.gov)

## Regulatory Roundup

### From the Department of Treasury/IRS:

- *Revenue Procedure 2014-30*, which contains the 2015 inflation-adjusted deduction limits for annual contributions to a health savings account.
- *Revenue Ruling 2014-9*, providing simplified safe harbor due diligence procedures a plan administrator may use to reasonably conclude that an amount is a valid rollover contribution to a retirement plan.
- *Notice 2014-19* and *Frequently Asked Questions (FAQs)* on the application of the U.S. Supreme Court's decision on same-sex marriages to qualified retirement plans (see **Benefits Alert 14-3**).
- *Private Letter Ruling 201415011*, which states that a voluntary employees' beneficiary association can extend benefits to a participant's domestic partner.
- Updated web postings on: failed 401(k) actual deferral percentage and actual contribution percentage nondiscrimination tests; submission procedures for opinion and advisory letters for preapproved plans; FAQs relating to COBRA healthcare coverage reporting, documentation, administration, and eligibility; FAQs on the determination letter process and on governmental plans determination letters; FAQs on the Patient-Centered Outcomes Research Trust Fund fee; results of the Employee Plans Compliance Unit's nonqualified 401(k) plans project; and a chart containing information on rollover-eligible retirement plans and IRA contributions.

### From the Department of Labor:

- An *announcement* of the launch of a new integrated employment tool (at: [www.ebenefits.va.gov](http://www.ebenefits.va.gov)) to connect veterans and service members with employers.

### From the Pension Benefit Guaranty Corporation:

- *Proposed rule* that would clarify the treatment of benefits resulting from a rollover distribution from a defined contribution plan or other qualified trust to a defined benefit plan, if the defined benefit plan was terminated and trustee by the PBGC.
- An *announcement* that MyPAA is ready to receive the 2014 premium filings and release of the necessary related documents.
- A *notice* that the agency has requested Office of Management and Budget (OMB) approval of modifications requesting additional actuarial information on the 2014 Schedule MB (for multiemployer defined benefit plans) and the Schedule SB (for single-employer plans) and the related instructions.
- An *announcement* that the OMB has approved revisions to the standard termination, distress, termination, and missing participants' forms and instructions, requiring plan sponsors to use the revised forms for terminations for which the first Notice of Intent to Terminate is issued on or after June 1, 2014.

### From the Department of Health and Human Services:

- A *Security Risk Assessment* tool to help covered entities – including group health plans – perform and document their security risk, as required by the Health Insurance Portability and Accountability Act's security requirement.
- An *announcement* of the cost threshold and cost limit amounts that apply to plan sponsors participating in the Retiree Drug Subsidy program, with qualified prescription drug years ending in 2015, as well as the parameters for Medicare Part D plans.

### From the Social Security Administration:

- A *notice* announcing the discontinuation of the agency's letter-forwarding service, effective May 19, 2014.
- An *announcement* that the agency will resume mailing benefits statements starting in September 2014 at five-year intervals to workers who have not signed up to view their statements online.

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