

# MONTHLY BENEFIT

News and Developments

Employee Benefits

## Upcoming Key Dates

**1/1/15** (for employers with 100 or more employees) – Effective date of delayed employer requirement to offer affordable/minimum value health coverage to full-time employees (and dependents) or pay a penalty, requiring compliance with ACA's reporting rules for 2016 information filings.

**1/1/15** (unless required earlier) – Deadline for certain eligible governmental retirement plans to adopt "exclusive benefit" amendment.

**1/1/15** – Compliance by health plans with the rules requiring HIPAA certification of standard transactions for eligibility, health claim status, and electronic funds transfer remittance advice, for filing of attestations of certifications on 12/31/15.

**1/1/15** – PBGC flat-rate premiums increase to \$57 per participant for single-employer pension plans and to \$13 per participant for multiemployer pension plans; variable-rate premiums for plans with 25 or more participants increase to \$24 per \$1,000 of unfunded vested benefits, capped at \$418 times the number of participants.

**1/1/15** – Compliance by calendar-year group health plans with the mental health parity final rule.

**1/1/15** – Expiration of transition relief for nongrandfathered group health plans with different out-of-pocket maximums, thereby requiring a single limit for essential health benefits.

**1/31/15** – Deadline for Cycle D filers and multiemployer plan trustees to request an IRS determination letter.

**2/2/15** – Deadline for Cycle C preapproved plans to request an IRS determination letter under the IRS's extended submission period.

## Legislative Activity on the Benefits Front

Returning from the mid-term elections that ensured control of the House and Senate by Republicans in January, the lame-duck Congress is attempting to move the final pieces of "must pass" legislation before adjourning in mid-December. At the top of the list are bills to keep the federal government operating during the fiscal year that began Oct. 1 and tax "extenders" to address about 50 expired or expiring tax provisions. Although the desire to accomplish these two items crosses party lines, disagreement on the scope of the specific bills and intraparty policy concerns are clouding prospects for quick or certain enactment.

The current funding for the federal government expires Dec. 11. By then, Congress must enact another continuing resolution to cover the remaining months of the fiscal year or a short-term extension that will carry over to January, when the 114th Congress convenes under GOP control. Congress instead also could pass an omnibus bill to fund all 12 departments. Some Republicans are exploring withholding funds for select government operations (such as for Homeland Security to protest the President's executive order on immigration) or are threatening a government shutdown, but such efforts may prove futile.

A compromise on legislation to extend the myriad tax provisions – including the parity for employees' mass transit and parking expenses – emerged in late November, but the President threatened a veto if it excludes extensions for the earned income and child care tax credits while providing permanent tax breaks "to help well-connected corporations." The draft proposal also would extend through 2015 the Pension Protection Act's multiemployer pension plan provisions that are set to expire at the end of 2014. The \$450 billion potential cost is causing some Republicans to insist on spending offsets or to provide only a temporary extension – including an extension only through the end of 2014 – so that all provisions can be reviewed as part of tax reform in the next Congress. House and Senate leaders are targeting mid-December for adjourning the 113th Congress.

## Regulatory Roundup

### Jointly from Treasury, Labor, and Health and Human Services:

- *Frequently Asked Questions (FAQs) Part XXII*, addressing Affordable Care Act (ACA) compliance by premium reimbursement arrangements (see [Benefits Alert 14-13](#)).
- *FAQs Part XXI*, regarding the application of the ACA's maximum out-of-pocket limits and reference-based pricing structures.

### From the Departments of Treasury/IRS:

- *Final rule* on maintaining minimum essential coverage under the ACA.
- *Revenue Procedure 2014-61*, providing the 2015 cost-of-living adjustments for employer-provided health flexible spending accounts, qualified transportation benefits, adoption assistance, and other tax-related items.

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## Milliman Releases Public Pension Funding Study

Milliman's third annual study of the nation's 100 largest public defined benefit retirement plans found that funded ratios using the market value of assets increased modestly relative to the 2013 study, largely reflecting strong asset growth, based on valuation data from July 1, 2013, or later, in general. However, market losses suffered during the financial crisis continue to cause a drag on the actuarial value of plan assets, resulting in a slight decrease in the funding ratio when analyzed from that perspective.

[www.milliman.com](http://www.milliman.com)

## PBGC Annual Report

The PBGC's report for fiscal year 2014 shows a deficit of about \$62 billion, largely due to the declining condition of a few multiemployer plans. The financial condition of the single-employer program improved, with a deficit of about \$19.3 billion, down from \$27.4 billion in the previous year.

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

## Deficit Reduction Options

The Congressional Budget Office's *Options for Reducing the Deficit: 2015 to 2024* estimates the budgetary savings from 79 options, including further limiting the annual contributions to retirement plans to raise \$82.5 billion over the 10-year period.

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

## Tax Reform Draft Options

The Joint Committee on Taxation reviewed estimated revenue effects and provided distribution and macroeconomic analyses of the draft *Tax Reform Act of 2014*. Provisions reviewed included pension and retirement items, including: modification of required distribution rules; a reduction in age for allowable in-service distributions; changes to hardship distributions; and an extended period for the rollover of plan loan offset amounts in certain cases.

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

## Health Coverage Expansion

The DHHS's Office of Planning and Evaluation released *Survey Data on Health Insurance Coverage for 2013 and 2014*, finding 10.3 million nonelderly adults gained coverage since the ACA's first open enrollment period.

[www.aspe.hhs.gov](http://www.aspe.hhs.gov)

### (Regulatory Roundup – continued)

- *Revenue Ruling 2014-32*, updating guidance on the use of smartcards, debit or credit cards, or other electronic media to provide qualified transportation benefits.
- *Notice 2014-74*, updating the two safe harbor explanations used to satisfy the notices to recipients of eligible rollover distributions.
- *Notice 2014-69*, advising that employer-sponsored health plans that fail to provide substantial coverage for inpatient hospitalization or physician services do not provide minimum value under the ACA (see [BA 14-12](#)).
- *Notice 2014-66* and a Department of Labor *Information Letter* providing a special rule to enable defined contribution retirement plans to offer a lifetime income option via a target date fund that includes deferred annuities.
- *Information Release 2014-99*, providing the 2015 indexed figures for retirement plans (see [Client Action Bulletin 14-7](#)).
- A set of *FAQs* on the ACA's Transitional Reinsurance Program.
- Updated *draft forms* (1095-A (Health Insurance Marketplace Statement), 1095-B (Health Coverage), 1095-C (Employer-Provided Health Insurance Offer and Coverage), and 1094-C (Transmittal of returns)) to report employment-based information.

### From the Department of Labor:

- For federal government contractors, a *final rule* increasing the hourly minimum wage beginning Jan. 1, 2015, and a *proposed rule* on reporting summary data on employee compensation.
- *Interim final rule* describing revisions to the Form 5500 and Form 5500-SF to implement annual reporting changes for multiple-employer plans.
- *Technical Release 14-01*, providing guidance on state regulation of stop-loss insurance.
- A web update of the *Mental Health Parity Self Compliance Tool*, and related *FAQs* and *Compliance Assistance Guide*.

### From the Pension Benefit Guaranty Corporation:

- *Final rule* on guarantees for rollovers from defined contribution to defined benefit plans.
- *Final rule* with the tables (Appendix D) used to determine expected retirement ages.
- *Technical Update 14-2*, providing guidance on annual financial and actuarial reporting for plans using the "smoothing" rates as extended by a 2014 law ("HATFA").
- An *announcement* about the 2015 flat-rate premiums and an *announcement* about the 2015 annual maximum guaranteed benefits.

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

- A *bulletin* on HIPAA patient information-sharing responsibilities in emergency cases.
- An *announcement* containing the 2015 Medicare Parts A and B premiums, deductibles, and coinsurance amounts (see [CAB 14-6](#)).
- An *announcement* indefinitely delaying enforcement of rules on health plan identifiers.
- An *announcement* with links for employers to enroll online in the ACA's Small Business Health Options Program (SHOP).
- A web posting of the *instructions* for correcting or filing supplemental information for the Transitional Reinsurance Report and Payment.

### From the Social Security Administration:

- An *announcement* and *Fact Sheet* containing the 2015 inflation-adjusted figures (see [CAB 14-7](#)).

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