

BUZZ

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AxisPointe Benefit Advisors

July 2018

ACA Affordability Percentages Will Increase for 2019

The IRS recently issued a [Revenue Procedure](#) to index the contribution percentages used to determine the affordability of an employer's plan under the Affordable Care Act (ACA).

These updated affordability percentages are effective for taxable years and plan years beginning Jan. 1, 2019. They represent a significant increase from the affordability contribution percentages for 2018.

As a result, some employers may have additional flexibility with respect to their employee contributions for 2019 to meet the adjusted percentage.

Affordable Coverage Test

For plan years beginning in 2019, employer-sponsored coverage will be

considered affordable if the employee's required contribution for self-only coverage does not exceed:

- **9.86 percent** of the employee's household income for the year, for purposes of both the pay or play rules and premium tax credit eligibility
- **8.3 percent** of the employee's household income for the year, for purposes of an individual mandate exemption (adjusted under [separate guidance](#))

This adjustment means that employer-sponsored coverage for the 2019 plan year will be considered affordable under the employer shared responsibility rules if the employee's required contribution for self-only coverage does not exceed 9.86 percent of the employee's household income for the tax year.

The 2018 affordability percentage for the pay or play rules and premium tax credit eligibility was 9.56 percent. The 2018 percentage for the individual mandate exemption was 8.05 percent.

For more guidance on this and other compliance topics, contact AxisPointe today.

DID YOU KNOW?

The Trump administration unveiled an [outline](#) for potentially lowering the price of prescription drugs.

The blueprint identifies four key areas of focus:

1. Improved competition
2. Better negotiation
3. Incentives for lower list prices
4. Lowering out-of-pocket costs

Stay tuned for updates later in the year.

IRS Announces HSA Limits for 2019

The IRS recently announced that limits for HSA contributions will increase for 2019. The HDHP maximum out-of-pocket limits will also increase for 2019. The HSA contribution limits will increase effective Jan. 1, 2019, while the HDHP limits will increase effective for plan years beginning on or after Jan. 1, 2019.

HSA Contribution Limit

- **Family** - \$7,000
- **Single** - \$3,500

HDHP Maximum Out-of-pocket Expense Limit (*deductibles, copayments and other amounts, but not premiums*)

- **Family** - \$13,500
- **Single** - \$6,750

Because the cost-sharing limits for HDHPs will change for 2019, employers that sponsor these plans may need to make plan design changes for plan years beginning in 2019.

HR Brief

Human Resources tips brought to you by
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IQ or EQ: What's More Valuable to Your Company?

The smartest person is usually considered the best person for a job, especially when it comes to leadership. However, HR experts argue that traditional intelligence (book smarts) may not be as important as emotional intelligence (people smarts).

What is Emotional Intelligence?

Emotional intelligence (EQ, or emotional quotient) can be summed up by a few characteristics:

- The ability to evaluate one's own emotions and their greater impact
- Solid understanding of one's abilities and self-worth
- An innate desire to help toward the greater good

In other words, having a high EQ means you work well with others because you understand how your and your co-workers' emotions affect each other. The argument goes: if our behavior is dictated by our emotions, then understanding them is the key to long-term success.

Making Emotions Work for You

Leaders who understand emotions can channel that energy into producing desired results. For instance, managing employees is much easier when you can empathize and understand them on an emotional level. Nothing builds barriers faster than a perceived misunderstanding from a manager.

Considerations

Overall, EQ is a fluid area of study, like most aspects of the brain. There are still many unknowns, so one cannot definitively say if emotional intelligence is the trump card for leaders. However, raising the EQ of managers even slightly can help with employee relations.

Consider offering EQ training to managers to help them relate better with their employees. You may be surprised how far a little emotional understanding can go.

DID YOU KNOW?

The [General Data Protection Regulation](#) (GDPR) is now in effect. This regulation affects U.S. businesses that have international ties.

The GDPR provides individuals with more control over their personal data.

Failing to comply with the GDPR can mean millions in fines. Speak with us to learn more about how this regulation may impact you.

Ignoring Diversity Training? You Should Reconsider

Starbucks made national news in May when it closed over 8,000 stores so its employees could undergo diversity training.

The training was in response to an incident where police were inappropriately called on two black men who were sitting peacefully in the store.

The incident sparked a national conversation about race and caused many companies to reassess their diversity training efforts, none wanting to be part of a future headline.

Make sure employees are properly trained so customers and members of the community can enjoy a pleasurable experience with your company.

