

BUZZ

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November 2018

Hardship Exemption Rules Eased for 2018 Individual Mandate

The Centers for Medicare & Medicaid Services (CMS) has provided [guidance](#) making it easier to claim a hardship exemption from the individual mandate under the Affordable Care Act (ACA) for 2018.

Individuals may claim a hardship exemption on their 2018 federal income tax return without:

- Obtaining a hardship exemption certification from the Exchange
- Providing any explanation or documentation of the hardship

In past years, most individuals had to [apply](#) for the exemption and receive a certification from an Exchange to qualify.

Only certain individuals were able to claim a hardship exemption without obtaining a certification in prior years:

- Individuals with income below the tax filing threshold
- Family members whose combined cost of self-only coverage is considered unaffordable
- Individuals who are eligible for services through an Indian health care provider
- Individuals who are ineligible for Medicaid based on a state's decision not to expand Medicaid

Under the new guidance, any individual can claim a hardship exemption without obtaining a certification. **This change applies to 2018 only.**

However, for all other eligible years, individuals can still apply for hardship exemptions through the Exchange, and CMS will continue to process those as normal.

No exemptions are required after 2018 because the individual mandate has been effectively repealed beginning in 2019.

DID YOU KNOW?

Another overhaul of the federal overtime rules may be looming on the horizon.

The Department of Labor has hinted that it is looking to reveal its proposed changes to overtime eligibility in the first quarter of 2019.

Officials haven't explained how this latest revision will differ from the stalled attempt in 2016. Experts suspect the threshold will be lower than the original \$47,500 proposal.

Stay tuned for updates in early 2019.

IRS Issues Letters to Noncompliant Employers

The IRS has been sending Letter 5699 to employers that have not complied with their ACA reporting requirements for 2015.

Letter 5699 requests missing information from applicable large employers (ALEs) that were required to report under Section 6056, but failed to file Forms 1094-C and 1095-C with the IRS. The IRS identifies potentially noncompliant ALEs based on their Form W-2 total employee count reported for 2015.

Employers who receive a Letter 5699 should respond within the appropriate time frame and provide all appropriate information requested by the IRS, including any forms that are due.

Penalties may apply for any failures to file with the IRS by required deadlines. The IRS will use information provided in response to Letter 5699 to identify noncompliant ALEs and assess any penalties that may be owed.



HR Brief

Human Resources tips brought to you by
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Health Care Costs Still Rising, According to Annual Survey

Each year, the Kaiser Family Foundation and the Health Research & Educational Trust conduct a survey to examine employer-sponsored health benefit trends such as annual deductibles, plan enrollment, and health and wellness programs. The 2018 edition of this survey has been released, and it discusses a lot, including how health care costs continue to rise.

One of the key findings of the survey was that the average cost of employer health coverage offered to workers rose 5 percent for a family plan in 2018, reaching nearly \$20,000. For individual coverage, the average cost rose 3 percent from 2017 at just under \$7,000.

While it was predicted years ago that health care costs would continue to rise,

the sticker shock can be hard to get past. Industry experts believe that an increase in the costs of health care services is the reason why insurance premiums are consistently increasingly expensive.

How are employers combatting rising costs?

Many employers have sought out ways to offset the cost of rising health insurance premiums. One of the most common ways this is accomplished is through increasing annual deductibles. For 2018, the average annual deductible for single coverage was \$1,573 and the average annual deductible for family coverage was \$4,676.

Another common way to reduce costs is to give employees the resources they need to become wiser health care consumers. Helping employees learn how to use the right health care services and shop around whenever possible can help employers and employees spend less money on health care services.

For More Information

Contact us today for your full copy of the Employer Health Benefits 2018 Annual Survey.

DID YOU KNOW?

In September 2018, the Department of Labor (DOL) held listening sessions to help them gain insight into the public's views on how to update and modernize the overtime rule. The final session wrapped on Sept. 24.

While there is no official deadline announced, in their spring 2018 agenda, the DOL forecast that a new overtime regulation proposal may occur in the first quarter of 2019.

Don't Leave Your Office Unprotected from the Flu

Each year, seasonal influenza has a marked impact on employers. The seasonal flu can cause increased absenteeism, decreased productivity and higher health care costs. As an employer, you are well-positioned to help keep your employees healthy and minimize the flu's impact on your business.

The Centers for Disease Control and Prevention [recommends](#) the following strategies for employers to help fight the flu.

- **Host a flu vaccination clinic.** Doing so can help educate employees about the importance of vaccination, and make it easier for them to get vaccinated.
- **Educate employees.** Emphasize the importance of getting the flu vaccine and educate employees on common flu prevention strategies.



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