

IRS and DOL Issue Guidance on Association Health Plans

Both the IRS and Department of Labor (DOL) have issued new compliance guidance for association health plans (AHPs). On June 21, 2018, the DOL published a [final rule](#) that expands the ability of employers to join together to form AHPs. According to the DOL, these changes will expand access to affordable, high-quality health insurance coverage for small businesses.

The new guidance issued provides that:

- Participating in an AHP does not cause a small employer to become subject to the Affordable Care Act's (ACA) employer shared responsibility rules.

- An AHP is a group health plan and a multiple employer welfare arrangement that is subject to ERISA's requirements.

The final rules will become effective on the following dates:

- **Sept. 1, 2018**—Final rule applies to fully insured AHPs.
- **Jan. 1, 2019**—Final rule applies to existing self-insured AHPs.
- **April 1, 2019**—Final rule applies to new self-insured AHPs.

Action Steps

Small employers that are considering joining an AHP should understand their compliance obligations with respect to this type of plan. Although AHPs may avoid some ACA reforms for the small group market, these plans remain subject to many other legal requirements, including any applicable state regulations.

For more information on this guidance, please contact Assured Partners today.

DID YOU KNOW?

The Tax Cuts and Jobs Act, which was signed into law last December, reduces the ACA's individual shared responsibility (or individual mandate) penalty to zero, effective beginning in 2019.

As a result, beginning in 2019, individuals will no longer be penalized for failing to obtain acceptable health insurance coverage. Despite the repeal of the individual mandate penalty, employers and individuals must continue to comply with all other ACA provisions.

Medicare Part D Notices Are Due Before Oct. 15

Each year, Medicare Part D requires group health plan sponsors to disclose to individuals who are eligible for Medicare Part D and to the Centers for Medicare and Medicaid Services (CMS) whether the health plan's prescription drug coverage is creditable. Plan sponsors must provide the annual disclosure notice to Medicare-eligible individuals **before Oct. 15, 2018**—the start date of the annual enrollment period for Medicare Part D. CMS has provided [model disclosure notices](#) for employers to use.

Employers should confirm whether their health plans' prescription drug coverage is creditable or non-creditable and prepare to send their Medicare Part D disclosure notices before Oct. 15, 2018. To make the process easier, employers often include Medicare Part D notices in open enrollment packets they send out prior to Oct. 15.

HR Brief

Human Resources tips brought to you by
Assured Partners

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Don't Shortchange Your Employees' Financial Literacy

If you think your employees are prepared for retirement, think again.

Less than 40 percent of American workers feel like their savings are on track for retirement. In fact, 25 percent have no retirement savings at all, according to the [Report on the Economic Well-Being of U.S. Households](#).

An Education Problem

Experts point to low financial literacy as a major factor affecting employees' retirement prospects. Not understanding investment strategies or buying into a savings plan can significantly postpone retirement, sometimes indefinitely.

According to the economic report mentioned earlier, the average worker

correctly answers fewer than three out of five basic financial literacy questions. And since low financial literacy can be correlated with bleak retirement prospects, this figure should be alarming.

How Employers Can Help

Many employees rely on their employer-sponsored savings plans for their retirement planning. Moreover, these plans are typically the only viable savings option available to people with limited investment knowledge.

Understanding this, employers can offer more comprehensive financial education to employees who vest in sponsored savings plans. For instance, some employers actively promote plan participation and offer in-person financial counseling to participants.

However, you don't need to hire a team of financial advisors to raise employees' financial literacy. Providing quality education materials is a great first step to improving your employees' retirement outlooks.

Speak with Assured Partners for a sampling of resources available to you.

DID YOU KNOW?

The Department of Labor's Office of Compliance Initiatives launched a website to "provide workers with a centralized base of information regarding worker protections."

The site, worker.gov, is easy to understand and features prominent links to help you quickly find the answers you need.

Consider promoting this site to employees as an additional resource for labor questions.

Spread the Word: Open Enrollment is Around the Corner

Each year, once the dust of open enrollment settles, employers always ask, "What could we have done better?" The usual answer: employee communication.

HR is in a unique position to talk about open enrollment because of their relation to employees and their extensive benefits knowledge.

With this in mind, consider having HR distribute open enrollment communication through a multichannel approach. Reminder emails, text blasts, short explanatory videos and posters in the break room are all great methods for reaching employees.

Offering meaningful resources and reminders can boost employee engagement and retention, and improve workers' long-term health and wellness.

Speak with us to learn more about your communication options.



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