

BENEFIT BRIEF

11/16/12

Elections Impact - Health Care Reform

The election is over and many employers have been wondering what this means for their employee benefit plans. With the re-election of President Obama, and very little change in the make-up of Congress, the path to full implementation of the Patient Protection & Affordable Care Act (PPACA) (also referred to as the Affordable Care Act, ACA, or ObamaCare) now seems clear. Many employers were waiting for the outcome of this election before they tackled health care reform, even after the Supreme Court decision this past summer, to address the impact on their employee benefit plans. Employers had concerns and questions about the future of the law because some of the most significant provisions of PPACA aren't effective until 2014.

Now employers must act promptly to prepare for the full implementation of PPACA. First, employers must understand how the law affects (or, does not affect) them. Then they must implement any of the necessary changes or adjustments to benefit strategies. Fortunately, no matter what you think about the law, we have been studying and learning all the nuances of the Legislation and planning for its effect on employers for almost 3 years. Rest assured, our staff stays current with PPACA's requirements and has been informing and assisting clients with staying on track to comply with the law. The results of the election do not change any of the initiatives we have undertaken and we will continue to keep you informed. We are prepared to help employers move forward to implement whatever changes are necessary for each of their particular and unique set of circumstances.

PPACA affects employers in different ways depending on their size, employee demographics, current benefit strategy, and where they are located. Consequently, there is no way to write a single update that is specific to the issues facing each employer. This summary is designed to remind employers about important aspects of the PPACA that we will all be addressing over the next 12-18 months, and to refocus attention on issues especially important to many employers.

Issues Employers Must Address In the Short Term

A number of PPACA provisions are taking effect now, or in the very near term. The first thing an employer must do is make sure that any of these relevant provisions are addressed as soon as possible.

PPACA Provision	Employers Impacted	Effective Date
Summaries of Benefits and Coverage (SBC)	All Employers	Plan years beginning after 10/01/2012
W-2 Health Plan Reporting	Employers who filed 250 W-2s or more for 2011 tax year.	2012 calendar year
Increase in Medicare tax for individuals earning over \$200,000 (\$250,000 for joint filers).	Employers are required to withhold additional tax for employees whose compensation at that employer exceeds limits.	01/01/2013
\$2500 limit on pre-tax payroll deductions for Section 125 health FSA	Employers who offer Flexible Spending Accounts (FSAs)	Plan years beginning on or after 01/01/2013

Most employers are busy with open enrollments and plan year changes and the holiday season will be here next week starting with Thanksgiving. In January, February and March we will be offering webinars and maybe a seminar in which we will provide you with a roadmap for your benefit plans' compliance come 2014. In the meantime, we will keep you informed of any breaking news affecting your benefit plans. Of course, if you have questions or concerns, we are here to assist you now.

Post-Election Analysis + Fiscal Cliff + Tax Reform

Our friends at Ernst & Young published a comprehensive 27 page post-election analysis on the impending Fiscal Cliff that Congress is facing plus an analysis of Tax Reform, Health Care and Financial Services issues. The link to that document is [here](#).