



# The "TOTAL" Advisor

Brought to you by Total Insurance Services, Inc. - Michael Levin

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## New Form I-9 for Employers to Verify Employment Eligibility

Federal law requires all U.S. employers to verify the identity and employment authorization of each employee hired to work in the United States by completing a Form I-9. **An updated version of [Form I-9](#) is now available, which employers should begin using immediately for all new hires.**

*Note:* Employers should **not** complete a new Form I-9 for current employees if a properly completed Form I-9 is already on file.

### When to Use Form I-9

All U.S. employers must fill out Form I-9 for every person they hire for employment in the United States (even employees who are U.S. citizens), as long as the person works for pay or other benefits. Employers may not begin the Form I-9 process until an individual accepts an offer of employment.

New employees need to complete Form I-9 no later than the first day of work for pay. The employer must examine original documents presented by the employee, which show his or her identity and employment authorization, to complete the Form I-9 within 3 business days of the date employment begins.

### How Long to Keep Form I-9

Employers must keep an employee's completed Form I-9 for as long as the individual works for the employer. Once the individual's employment has terminated, the Form I-9 must be kept until 3 years after the date of hire or one year after the date employment ends, whichever is later.

Failure to ensure proper completion and retention of Forms I-9 may subject an employer to civil money penalties and, in some cases, criminal penalties.

### Additional Information

[I-9 Central](#) is an online resource dedicated to Form I-9 which provides information about employer and employee rights and responsibilities, step-by-step instructions for completing the form, and information on acceptable documents for establishing identity and employment authorization. You can also visit our section on Form I-9 for more information and FAQs on how to

### In this Issue

[New Form I-9](#)

[Health Care Reform  
FAQs](#)

[Employees May Be  
Eligible for  
Retirement Savings  
Tax Credit](#)

[5 Do's and Don'ts  
for Successful  
Telecommuting](#)

comply with the [Form I-9](#) requirements.

## Top 3 Health Care Reform FAQs



Last month marked the 3-year anniversary of the [Affordable Care Act](#) (Health Care Reform). While changes continue to be made to the requirements for employers and group health plans, here's a look at three of the most common questions and answers over the past few years:

### 1. Are all companies required to provide health insurance to employees?

Under Health Care Reform, small employers are not penalized for choosing not to offer coverage to any employee. Beginning in 2014, large employers--generally those with at least **50 full-time employees** and full-time equivalents--may be required to pay a penalty if they do not offer affordable health insurance that provides a minimum level of coverage to their full-time employees.

Our section on [Pay or Play](#) provides step-by-step guidance, worksheets, and calculators that can help employers understand if they will be subject to a penalty and how to calculate it.

### 2. What notices must be provided to employees under Health Care Reform?

Employers and group health plans are required to provide a number of informational notices to employees and other individuals eligible for benefits under the plan. Some of the key notices include:

- [Disclosure of Grandfathered Status](#) (grandfathered plans only)
- [Notice of Patient Protections](#) (non-grandfathered plans only)
- [Summary of Benefits and Coverage](#) or SBC (grandfathered and non-grandfathered plans)

In addition, future guidance is expected to establish the new compliance date for all employers to provide employees with notice regarding Health Insurance Exchanges (currently delayed). Additional notice requirements may apply depending on an employer's plan or when specific events occur. Check out the [Benefits Compliance Calendar](#) for more information on required notices.

### 3. How does a plan maintain 'grandfathered status' and why is it significant?

A '[grandfathered plan](#)' is a group health plan in existence as of March 23, 2010 (the date Health Care Reform was signed into law) that has not made [certain significant changes](#) that either reduce benefits or increase out-of-pocket costs for individuals covered under the plan. Grandfathered group health plans are not required to comply with certain requirements under Health Care Reform, such as coverage of preventive services without cost-sharing.

In addition to not making any [prohibited changes](#) that reduce benefits or increase costs, in order to maintain status as a 'grandfathered plan,' a group health plan must make specific disclosures in its plan materials, as well as

maintain certain records necessary to verify, explain, or clarify its status as a grandfathered health plan.

Our [Health Care Reform](#) section provides regular updates on the latest news and information, answers to other frequently asked questions, and additional guidelines and tools to help companies with compliance.

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## Employees May Be Eligible for Retirement Savings Tax Credit

Employees who make eligible contributions to an employer-sponsored retirement plan, such as a 401(k), or to an individual retirement arrangement (IRA) may be eligible for a tax credit. Below are five guidelines that can help employees learn more about the [Saver's Credit](#).

1. **Credit Amount.** The credit reduces income tax owed. Employees may be able to take a credit of up to \$2,000 (for married couples filing jointly) or \$1,000 for single taxpayers. The lower an employee's income, the higher the credit rate.
2. **Income Limits.** Eligibility for the credit depends on an employee's income and filing status. For 2012 tax returns, the credit applies to employees with a filing status and income of:
  - o Single or married filing separately, with income up to \$28,750
  - o Head of household, with income up to \$43,125
  - o Married filing jointly, with income up to \$57,500
3. **Eligibility Requirements.** An employee must be at least 18 years of age to be eligible for the credit. In addition, the employee cannot have been a full-time student in 2012, nor claimed as a dependent on someone else's tax return.
4. **Deadline for Contributions.** Contributions to a qualified retirement plan must be made by the due date of an employee's tax return in order to claim the credit. The due date for most people is April 15th.
5. **Other Tax Benefits.** The credit is in addition to other tax benefits which may result from the retirement contributions. For example, an employee may be able to deduct all or part of his or her contributions to a traditional IRA. Contributions to a regular 401(k) plan are not subject to income tax until withdrawn from the plan.

For more information on the Saver's Credit, see IRS [Publication 4703](#), *Retirement Savings Contributions Credit*, and [Form 8880](#), *Credit for Qualified Retirement Savings Contributions*. To learn more about employer-sponsored retirement plans, check out our section on [Retirement Plans](#).

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## 5 Do's and Don'ts for Successful Telecommuting

Telecommuting is a type of flexible work arrangement that allows an employee to work from an alternate workplace, such as from home or another remote location, during all or part of the workweek. Increased productivity, decreased absenteeism, and the flexibility to recruit and retain valuable employees are just

some of the potential benefits of allowing employees to telecommute.

If you decide that telecommuting is a good fit for your company, keep the following do's and don'ts in mind for effective management:

- **DO assess employees' telecommuting capabilities.** Certain positions--and employees--are better suited for telecommuting than others. Consider whether an employee's duties are sufficiently 'portable,' and whether the employee has demonstrated the ability to work independently and productively, before approving any telework arrangement.
- **DO communicate expectations.** Managers and employees should be on the same page when it comes to expectations for telecommuting, including scheduling and hours of availability, location(s) where telework will be performed, performance standards, and who is responsible for providing and maintaining any necessary equipment.
- **DON'T discriminate.** Be sure that your telecommuting policy and practices do not have the effect of discriminating on the basis of race, sex, religion, or any other protected class. (Keep in mind that allowing an employee with a disability to work at home may in some instances be required as a [form of reasonable accommodation](#).) Employees who work remotely should receive the same opportunities for advancement and professional development as their in-office counterparts.
- **DO stay connected.** Keep the lines of communication open by checking in regularly with remote employees, and arrange conference calls and in-person meetings to keep them in the loop. Remember to provide feedback on performance and apply the same standards to both telecommuting and non-telecommuting employees.
- **DON'T overlook security issues.** Ensure that employees working offsite are able to maintain the security of files, correspondence, equipment, and other materials as necessary. Employees should also follow any security protocols for remote connectivity. Depending on the sensitivity of the information being handled, a home office may need to include security measures such as locked file cabinets, similar to what may be used at the official worksite.

It's a good idea to include your telework policy in your employee handbook, so all employees who are or may become eligible for telecommuting are aware of the guidelines. Consult an employment law attorney for help creating your policy to ensure that your company's telecommuting practices are in compliance with the law and do not unlawfully discriminate against certain employees. Our section on [Fringe Benefits](#) features additional information on flexible work arrangements.

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