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The "TOTAL" Advisor

February 2012

Brought to you by: [Total Insurance Services, Inc.](#)

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IRS Extends Deadline to File 2011 Tax Returns

The Internal Revenue Service (IRS) has [announced](#) that **taxpayers have until April 17 to file their 2011 tax returns**. The IRS encourages taxpayers to e-file as it is the best way to ensure accurate tax returns and get faster refunds.

Taxpayers will have until Tuesday, April 17, to file

2012 Health Care Reform Compliance Checklist

A New Year means new requirements under Health Care Reform. The following checklist is designed to help employers who sponsor group health plans review their plan's compliance with the major provisions of [Health Care Reform](#) that may impact their companies in 2012.



Please Note: This list is for general reference purposes only and is not all-inclusive. The information is subject to change based on new requirements or amendments to the law. Additionally, your group plan may be exempt from certain requirements described below. If you have any questions regarding your obligations with respect to Health Care Reform, you should consult with a knowledgeable employment law attorney and your carrier.

1. Evaluate Grandfathered or Non-Grandfathered Status of Plan

A grandfathered plan is one that was in effect on March 23, 2010. If a plan loses its grandfathered status, it may no longer be exempt from certain requirements under Health Care Reform.

- Determine whether any changes to the plan with respect to benefits, costs, or other changes result in a [loss of grandfathered status](#).
- To maintain grandfathered status, provide a statement indicating the plan believes it is a grandfathered health plan, along with contact information for questions and complaints, whenever a summary of benefits under the plan is provided to participants and beneficiaries (model notice [available here](#)).

2. Review Plan Documents for Required Changes to Plan Benefits

their 2011 tax returns and pay any tax due because April 15 falls on a Sunday, and Emancipation Day, a holiday observed in the District of Columbia, falls this year on Monday, April 16. According to federal law, District of Columbia holidays impact tax deadlines in the same way that federal holidays do; therefore, all taxpayers will have two extra days to file this year. Taxpayers requesting an extension will have until Oct. 15 to file their 2011 tax returns.

The IRS began accepting [e-file and Free File](#) returns in mid-January.

Taxpayer Assistance from the IRS

The IRS also announced a number of improvements to help make this tax season easier for taxpayers. This includes new navigation features and helpful information on [IRS.gov](#), and a new pilot to allow taxpayers to use interactive video to get help with tax issues (the IRS is conducting a limited roll out of this new video conferencing technology at [10 IRS offices and two other sites](#), and may expand to further sites in the future).

Taxpayers with questions should check the IRS website at [www.IRS.gov](#), call the [toll-free number](#) or visit a

Plan documents should be amended to reflect changes as of the effective dates noted below. Please contact your carrier or employment law attorney for additional details or if you have questions regarding these amendments.

- [Annual limits](#) on "essential health benefits" are being phased out according to the limits set by law (no lower than \$1.25 million for plan years starting on or after September 23, 2011).
 - Note: Certain limited benefit or "mini-med" plans that received [temporary waivers from the rules](#) concerning annual dollar limits, as well as stand-alone HRAs in effect prior to September 23, 2010 which are [automatically exempt](#) until January 2014, must distribute an annual notice to participants and subscribers stating that the plan has restrictive coverage and includes low annual limits (required language for the notice is available for both [limited benefits plans](#) and [stand-alone HRAs](#)).
- Except for grandfathered plans, [expanded coverage of women's preventive services](#) must be provided with no cost-sharing requirements effective for plan years beginning on or after August 1, 2012.
- Except for grandfathered plans, new [standards for claims and review processes](#) that were previously delayed until plan years beginning on or after July 1, 2011 or January 1, 2012 (such as the requirement to provide notices to claimants in a culturally and linguistically appropriate manner) are now in place.

3. Report Employer-Provided Health Plan Coverage on Forms W-2

This requirement does not apply to employers that were required to file fewer than 250 Forms W-2 for the preceding calendar year, unless and until the IRS publishes further guidance giving at least 6 months' advance notice of any changes. However, employers should check with their [state revenue department](#) for any reporting requirements related to coverage for adult children that may apply for state income tax purposes.

- Beginning with calendar year 2012 Forms W-2 (required to be furnished to employees in January 2013), employers that provide a group health plan to their employees are generally required to [report the cost of the coverage provided](#) to each employee annually.

4. Provide Summary of Benefits and Coverage (SBC)- Effective Date for Compliance To Be Determined

The U.S. Department of Labor (DOL) has [advised](#) that group health plans are not required to comply with the requirement

[taxpayer assistance center](#).

Charges of Employment Discrimination Reach All-Time High

A record 99,947 charges of employment discrimination were filed with the [U.S. Equal Employment Opportunity Commission](#) (EEOC) during fiscal year 2011.

Charges alleging retaliation under [all the laws the EEOC](#) enforces were the most numerous (37.4% of all charges), closely followed by charges involving claims of race discrimination (35.4%). While the numbers of charges with race and sex discrimination allegations declined from the previous year, charges with the two other most frequently-cited allegations, disability and age discrimination, both increased.

The agency's enforcement of the [Americans with Disabilities Act](#) (ADA) produced the highest increase in monetary relief among all of the laws. Back impairments were the most frequently cited impairment under the ADA, followed by other orthopedic impairments, depression, anxiety disorder and

to provide the SBC and uniform glossary until final regulations are issued. Under the [proposed rules](#), compliance would have been required beginning March 23, 2012.

- Check for [new updates](#) as the original March 23 deadline approaches. Proposed templates for the [summary of benefits and coverage](#) and the [uniform glossary](#) are currently available.
- While the requirements to provide these materials will vary depending on the event, generally the information will need to be distributed to participants and beneficiaries:
 - Prior to initial enrollment in the plan;
 - Upon annual renewal of coverage;
 - At least 60 days prior to a material change in the terms of coverage;
 - Within 7 days of a request for special enrollment; and
 - Within 7 days of a participant or beneficiary's request.

5. Other Considerations for 2012

The following additional items may be of significance depending on your specific plan and the benefits offered.

- **Small Business Health Care Tax Credit.** Determine whether your company qualifies for the [small business health care tax credit](#). For tax years 2010 through 2013, the maximum credit is 35 percent for small business employers.
- **Changes to Flexible Spending Accounts (FSAs).** Confirm that your plan documents reflect the new [restrictions on reimbursement of costs for over-the-counter drugs](#) for FSAs and other tax-favored accounts that took effect in 2011. Keep in mind that beginning in 2013, the law also limits the amount of contributions to a health FSA to \$2,500 (to be adjusted for inflation thereafter).
- **Simple Cafeteria Plans.** If eligible, consider whether your company could benefit from establishing a [simple cafeteria plan](#). Simple cafeteria plans are treated as meeting the nondiscrimination requirements of a cafeteria plan and certain benefits under a cafeteria plan.
- **Medical Loss Ratio (MLR) Rebates.** Beginning in 2012, insurance issuers that do not meet certain standards relating to premiums are required to [provide rebates to enrollees](#). Where the rebate goes to the employer-policyholder that paid the premium on the enrollee's behalf, the employer may be responsible for distributing the rebates to eligible plan enrollees. Rebates must be provided by August 1 of each year. The DOL's Employee Benefits

diabetes.

For the first full fiscal year of enforcement, the EEOC received 245 charges under the [Genetic Information Nondiscrimination Act](#), which prohibits discrimination on the basis of genetic information, including family medical history.

The EEOC is responsible for enforcing [Title VII of the Civil Rights Act of 1964](#), the [Age Discrimination in Employment Act](#), the [Equal Pay Act](#), the [Americans with Disabilities Act](#), and the [Genetic Information Nondiscrimination Act](#). For more information on these laws, please visit our section on [Discrimination](#).

Updated Guidance for Reporting Employer-Sponsored Health Coverage on Form W-2

[New guidance](#) from the IRS provides additional information for employers that are subject to the requirement under Health Care Reform to [report the value of the health insurance coverage](#) they provide employees beginning with 2012 Forms W-2 (generally furnished to employees in January

Security Administration has released [technical guidance](#) on how to handle rebates paid pursuant to the medical loss ratio requirements.

Be prepared for compliance requirements to change. Stay up-to-date on the latest information by visiting our section on [Health Care Reform](#).

Reminder to Employers to Post OSHA 300A Summary by February 1st



Employers subject to the injury and illness reporting requirements of the federal [Occupational Safety and Health Act](#)

(generally those employers with more than 10 employees, except for those in certain low-hazard industries in the retail, finance, insurance, real estate, and service sectors) are reminded to post the [OSHA Form 300A, Summary of Work-Related Injuries and Illnesses](#), from **February 1 to April 30**.

The Form 300A lists the total number of job-related injuries and illnesses that occurred during the previous year and **must be posted even if no work-related injuries or illnesses occurred during the year**. The summary should be displayed in a common area where notices to employees are usually posted so that employees are aware of the injuries and illnesses occurring in the workplace. The form must be signed and certified by a company executive and must be kept for 5 years following the year to which the summary pertains.

OSHA's online [Recordkeeping Advisor](#) is designed to help employers understand their responsibilities to report and record work-related injuries and illnesses. To read more about worker safety and health, please visit our section on [Safety & Wellness](#).

3 Employee Pay and Attendance Issues When Bad Weather Strikes

It's that time of year again, when snow and slippery conditions may make it difficult for your employees to travel to work. Here are three areas which may relate to your company when bad weather hits.

1. When an employee misses work due to bad weather conditions, whether the employee is entitled to be paid

2013).

The requirement continues to be optional for smaller employers filing fewer than 250 Forms W-2 in the preceding calendar year unless and until further guidance is issued (but be sure to comply with any state-specific requirements regarding reporting the cost of health coverage provided to adult children).

New Guidance Updates Information on How to Report, Coverage to Include, and Determining Costs of Coverage

Among other things, the [new guidance](#):

- Clarifies the application of the interim relief from the reporting requirement for employers filing fewer than 250 Forms W-2 for the preceding calendar year;
- Adds a new example that demonstrates that the reporting requirement does not apply to coverage under a health flexible spending arrangement (FSA) if contributions occur only through employee salary reduction elections; and
- Provides that employers are not required to include the cost of coverage under an employee assistance program (EAP), wellness program, or on-site medical clinic in the reportable amount if the employer does not

for the absence may depend on the employee's exempt or non-exempt status.

Under the federal [Fair Labor Standards Act](#) (FLSA), employers are not required to pay non-exempt employees for hours they did not work.

- Absent a company policy or agreement entitling the employee to such pay, if the employee misses work or if the office closes for a full or partial day due to bad weather, the employee is generally not entitled to be paid for time missed.
- If permitted by company policy, an employee may use earned paid time off for the absence.

[Exempt employees](#) (including certain bona fide executive, administrative and professional employees) generally must be paid their full salary amount if they perform any work during a workweek.

- However, an employer that remains open for business during a period of bad weather may generally make deductions, **for full-day absences only**, from the salary of an exempt employee who chooses not to report to work because of the weather. Deductions from salary for less than a full-day's absence are not permitted.
- If the business is closed for the day as a result of inclement weather, the employer may not deduct the day's pay from the salary of an exempt employee.
- Employers may require exempt employees to use accrued leave (such as vacation or personal days) during the time the office is closed due to bad weather or when the office is open but the employee fails to report to work, but the employees must be paid their full salary. Exempt employees who have no accrued leave also must be paid their full salary if the office is closed.

2. Some states require employers to pay employees for showing up even if no work is available or there is an interruption of work and the employee is sent home.

Although payment for time not worked may not be required for non-exempt employees under federal law, some states do require that employees be paid for a minimum number of hours for reporting to work, even if there is no work that can be performed (such as when the office is closed) or the employee is sent home early, for instance, due to an impending storm.

Often called "reporting time pay," these laws may apply to specific industries (e.g., manufacturing) or certain employees only, so it is important to check with your [state labor department](#) for requirements that may apply to your

<p>charge a premium with respect to that type of coverage provided under COBRA to a qualifying beneficiary.</p> <p>Additional Information To read the new guidance in its entirety, see Notice 2012-9. You can also view the Frequently Asked Questions regarding this requirement from the IRS.</p>	<p>company before implementing any policy.</p> <p>3. Planning ahead ensures that your employees know what is expected of them in case of a weather emergency and can help minimize disruption to your business.</p> <p>Make it a priority to notify all of your employees, both exempt and non-exempt, of your company's policy regarding absence and pay during periods of inclement weather. This can be done in the employee handbook (if your company distributes one) or by email or posting a notice where all employees can see it. Be sure to apply your policy consistently and fairly to all employees.</p> <p>Your policy should include information on how your employees can find out whether the office is open or closed, such as by email, radio broadcast, calling in to hear a recorded message, or other methods that all employees can access.</p> <p>It's also prudent to remind employees to use their best judgment and not to put their safety at risk when it comes to traveling to work during or after a storm. If possible, see if you can arrange for employees to work remotely from home on days when the weather makes travel dangerous.</p>
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Newsletter provided by:

Total Insurance Services, Inc.
 3175 Commercial Avenue, Suite 200, Northbrook, IL 60062
 Phone: 847-205-1777

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