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The "Total" Advisor

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Paid Leave Among Most Widely Available Benefits According to DOL Survey

Paid leave benefits continued to be the most widely available benefit offered by employers, with paid vacations available to 91% of full-time workers in

private industry in March 2011, the [Bureau of Labor Statistics reported in July](#). Access to these benefits, however, varied by employee and establishment characteristics.



- In private industry, paid vacation benefits were available to 37% of part-time workers.
- Paid sick leave was available to 75% of full-time workers and 27% of part-time workers.

The report, "[Employee Benefits in the United States](#)," contains March 2011 data compiled from the annual National Compensation Survey (NCS), which provides comprehensive measures of the incidence and provision of employee benefit plans. More than 15,000 establishments in the private and public sectors were surveyed.

Additional findings included:

- 64% of all private industry employees had access to retirement benefits.
- Medical care benefits were available to 69% of private industry workers.
- 73% of full-time employees in private industry had access to retirement benefits, and 85% to medical care.

Final Rule Extends Effective Dates for Retirement Plan Fee Disclosure Rules



The U.S. Department of Labor's [Employee Benefits Security Administration](#) (EBSA) has released a [final rule](#) amending the initial compliance dates for its retirement plan fee disclosure rules. The amendments

[Click here](#) for more details and survey results. Additional information is expected to be published in early fall,

adopted by the final rule are effective as of July 15, 2011.

Fiduciary-Level Fee Disclosure

EBSA previously published an [interim final 408\(b\)\(2\) regulation](#) on July 16, 2010, requiring retirement plan service providers to disclose comprehensive information about their fees and potential conflicts of interest to plan fiduciaries.

The new requirements were scheduled to apply to plan contracts or arrangements for services in existence on or after July 16, 2011. To allow covered service providers and plan fiduciaries additional time to review any changes made to the interim final regulation and make final modifications to their systems and disclosures, the [final rule](#) extends the effective date for the fiduciary-level fee disclosure rule from July 16, 2011 to April 1, 2012.

Participant-Level Fee Disclosure

EBSA also published a [final participant-level regulation](#) on Oct. 20, 2010, requiring that employers disclose information about plan and investment costs to workers who direct their own investments. The regulation applies for plan years beginning on or after Nov. 1, 2011, and provided for a 60-day transition provision.

As a result of the [final rule](#), the transitional provision of the final participant-level disclosure regulation is amended to require that initial disclosures be furnished no later than the

including March 2011 data for private industry workers on the incidence and provisions of health care benefits, retirement benefits, life insurance, short-term and long-term disability benefits, paid holidays and vacations, and other selected benefits.

To learn more about employer-provided benefits, visit the HR360 section on [Employee Benefits](#).

Spotlight on Health Care Reform: FAQs for Employers



While changes continue to be made to the requirements for employer-sponsored group health plans under the [Affordable Care Act](#), guidance issued by the U.S.

Departments of Health and Human Services, Labor, and the Treasury can help you comply. Featured below are five commonly asked questions and answers for employers related to select provisions of health care reform.

Please note that the answers to these FAQs are subject to change based on new government requirements or directives. 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 for specific guidance.

Dependent Coverage of Children to Age 26

Q. What plans are required to extend dependent coverage up to age 26?

A. The Affordable Care Act requires plans and issuers that offer dependent coverage to make the coverage available [until a child reaches age 26](#). Both married and unmarried children qualify for this coverage. This rule applies to all plans in the individual market and to new employer plans. It also applies to existing employer plans unless the adult child has another offer of employer-based coverage (such as through his or her job). Beginning in 2014, children up to age 26 can stay on their parent's employer plan even if they have another offer of coverage through an employer.

Maintaining Grandfather Status

Q. Our company sponsors a group health plan that has been in effect since March 23, 2010. We are considering whether we could make various changes to the plan without losing grandfathered status.

later of:

- 60 days after the first day of the first plan year beginning on or after November 1, 2011, or

- 60 days after the effective date of the fiduciary-level fee disclosure rule.

The transitional rule also provides that certain quarterly disclosures must be furnished no later than 45 days after the end of the quarter in which the initial disclosures are required to be furnished to participants and beneficiaries under the transitional rule.

Additional Information

To read the final rule in its entirety, please [click here](#). You may also view the press release [here](#). For more information on the responsibilities associated with administering a retirement plan, please visit the HR360 section on the [Employee Retirement Income Security Act](#).

Summer Day Camp Expenses May Qualify for a Tax Credit

Many parents who work or are looking for work must arrange for care of their children under 13 years of age during the school vacation. While your employees may be incurring some extra expenses for child care this summer, like summer day camp, those added expenses could help

A. Certain changes (measured from March 23, 2010) are considered to change a health plan so significantly that they may cause a group health plan to [lose grandfather status](#), including:

1. Elimination of all or substantially all benefits to diagnose or treat a particular condition.
2. Increase in a percentage cost-sharing requirement (e.g., raising an individual's coinsurance requirement from 20% to 25%).
3. Increase in a deductible or out-of-pocket maximum by an amount that exceeds medical inflation plus 15 percentage points.
4. Increase in a copayment by an amount that exceeds medical inflation plus 15 percentage points (or, if greater, \$5 plus medical inflation).
5. Decrease in an employer's contribution rate towards the cost of coverage by more than 5 percentage points.
6. Imposition of annual limits on the dollar value of all benefits below specified amounts.

New Over-the-Counter Drug Requirements

Q. How have the rules changed for reimbursing the cost of over-the-counter medicines from health flexible spending arrangements (health FSAs) and health reimbursement arrangements (HRAs)?

A. The Affordable Care Act established a [new uniform standard for medical expenses](#). Effective Jan. 1, 2011, distributions from health FSAs and HRAs will be allowed to reimburse the cost of over-the-counter medicines or drugs only if they are purchased with a prescription. This new rule does not apply to reimbursements for the cost of insulin, which will continue to be permitted, even if purchased without a prescription. A similar rule went into effect for health savings accounts (HSAs) and Archer Medical Savings Accounts (Archer MSAs).

Reporting Employer-Sponsored Health Coverage on Form W-2

Q. When will employers have to start reporting the value of health care coverage on the Form W-2?

A. No employer is required to [report the cost of health coverage](#) on any Forms W-2 required to be provided to employees prior to January 2013. For Forms W-2 filed for the 2011 calendar year (provided to employees in January 2012), reporting this value is optional. While some employers will be required to report the value of health benefits on the Forms W-2 provided to employees in January 2013, transition relief is available for certain employers--including those filing fewer than 250 Forms W-2--until future guidance is issued..

Small Business Health Care Tax Credit

Q. Which employers are eligible for the small business

them qualify for a tax credit.

About the Child and Dependent Care Credit

The Child and Dependent Care Credit is available for child care expenses incurred during the summer and throughout the rest of the year. Here are five facts from the IRS regarding this tax credit your employees should know about:

1. The cost of day camp may count as an expense towards the child and dependent care credit.
2. Expenses for overnight camps do not qualify.
3. Whether a childcare provider is a sitter at the employee's home or a daycare facility outside the home, the employee will get some tax benefit if he or she qualifies for the credit.
4. The credit can be up to 35% of the employee's qualifying expenses, depending on income.
5. The employee may use up to \$3,000 of the unreimbursed expenses paid in a year for one qualifying individual or \$6,000 for two or more qualifying individuals to figure the credit.

For more information, check out [IRS Publication 503](#), *Child and Dependent Care Expenses*, or contact the IRS at 1-800-829-1040. You can

tax credit?

A. Small employers that provide health care coverage to their employees and that meet certain requirements generally are eligible for a [federal income tax credit](#) for health insurance premiums they pay for certain employees. In order to be a qualified employer:

1. The employer must have fewer than 25 full-time equivalent employees ("FTEs") for the tax year,
2. The average annual wages of its employees for the year must be less than \$50,000 per FTE, and
3. The employer must pay the premiums under a "qualifying arrangement."

You can read more about the Affordable Care Act in the HR360 section on [Health Care Reform](#). For additional questions and answers relating to specific provisions of the Affordable Care Act, please click on the following links:

- [FAQs About the Affordable Care Act Implementation Part I](#)
- [FAQs About the Affordable Care Act Implementation Part II](#)
- [FAQs About the Affordable Care Act Implementation Part III](#)
- [FAQs About the Affordable Care Act Implementation Part IV](#)
- [FAQs About the Affordable Care Act Implementation Part V](#)
- [FAQs About the Affordable Care Act Implementation Part VI](#)
- [Small Business Health Care Tax Credit: FAQs](#)
- [Young Adults and the Affordable Care Act](#)

Anniversary of the Americans with Disabilities Act -- Are you in compliance?

The federal [Americans with Disabilities Act](#) (ADA) was signed into law on July 26, 1990. Title I of the ADA prohibits private employers with 15 or more employees from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, and other terms, conditions, and privileges of employment.

Did you know . . .

Title I of the ADA also covers medical examinations and inquiries.

- Employers may not ask job applicants about the

also learn more about childcare assistance as an employer-provided fringe benefit by visiting the [HR360 Childcare Assistance](#) page.

existence, nature, or severity of a disability. Applicants may be asked about their ability to perform specific job functions.

- A job offer may be conditioned on the results of a medical examination, but only if the examination is required for all entering employees in similar jobs.
- Medical examinations of employees must be job related and consistent with the employer's business needs.

Medical records are confidential.

- The basic rule is that with limited exceptions, employers must keep confidential any medical information they learn about an applicant or employee.
- Information can be confidential even if it contains no medical diagnosis or treatment course and even if it is not generated by a health care professional. For example, an employee's request for a reasonable accommodation would be considered medical information subject to the ADA's confidentiality requirements.

Employees and applicants currently engaging in the illegal use of drugs are not covered by the ADA when an employer acts on the basis of such use.

- Tests for illegal drugs are not subject to the ADA's restrictions on medical examinations.
- Employers may hold illegal drug users and alcoholics to the same performance standards as other employees.

ADA Resources for Small Businesses

In addition to a variety of [formal guidance documents](#), the U.S. Equal Employment Opportunity Commission (EEOC) has made available a wide range of fact sheets, Q&A documents, and other publications related to ADA compliance on its [Disability Discrimination](#) website, including the following resources:

- [The ADA: A Primer for Small Business](#); and
- [Small Employers and Reasonable Accommodation](#).

The [ADA-Disability](#) section on HR360 has more information regarding employer obligations under the Americans with Disabilities Act.

Attracting Quality Candidates to Your Company

In many ways, attracting skilled, dedicated employees is about presenting your business so that candidates will get

excited and enthusiastic at the prospect of working for your company. It is important to evaluate your competition in the area and strategically plan to offer a package of benefits that will enable you to attract the best talent.

Consider the following factors that can enhance your company's attractiveness:

Compensation/Benefits Package

- Competitive salary
- Bonus/incentive compensation
- Health care and life insurance benefits
- Tax-saving retirement plans, such as a 401(k)
- Other types of fringe benefits, such as childcare assistance or gym memberships

Position-Related Benefits

- Flexible work arrangements
- Telecommuting
- Location and position matched to candidate's individual needs

Support and Training

- Career-enhancing courses
- Certifications
- Career growth and potential

Company Brand and Environment

- Positive, well-known company brand
- Industry-recognized, successful company
- Friendly, organized workplace environment
- Straightforward, friendly, professional interview process

For more guidelines and tips on building a successful recruitment program, visit the HR360 [Recruitment & Hiring](#) section.

Newsletter provided by:

Total Insurance Services, Inc.

3175 Commercial Avenue, Suite 200, Northbrook, IL 60062

847-205-1777

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