

COMMERCIAL INSURANCE

EMPLOYEE BENEFITS

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RISK MANAGEMENT

SURETY



PARKER | SMITH | FEEK

Q&A FROM ASSUREX GLOBAL WEBINAR

NOVEMBER 17, 2016

HOW WILL THE ELECTION IMPACT EMPLOYEE BENEFITS REGULATIONS

- Q.** Does the Ryan plan specify a limit on the employer tax allowance for sponsoring group health plan?
- A.** The Ryan plan does not specifically address the maximum health benefit that would be allowed on a tax free basis, but the bill passed by the House of Representatives earlier this year would limit the tax exclusion to \$8000/yr. for single coverage and \$20,000/yr for family.
- Q.** So can you please repeat if small groups have to follow Employer Shared Responsibility Rules?
- A.** Small employers are not subject to these rules. Only employers averaging 50 or more FTEs in the previous calendar year are subject to these rules. Small employers (less than 50 FTEs) are not required to offer coverage under federal regulations.
- Q.** With all the possible changes with the ACA under the new administration, any thoughts on what may happen with insurance premium rates if the taxes, penalties, and mandates for coverage go away?
- A.** While this is very hard to predict, it is very likely that individual health insurance and small group rates will vary even more from region to region.
- Q.** Would employers still be responsible for any IRS penalties incurred for non-compliance in previous years or would reversing the employer penalties mandate only apply from the date it is reversed?
- A.** At this point nothing has been changed regarding employer requirements for 2015 and 2016. It is possible Congress could make a change that is retroactive. Until that happens employers should assume that they should comply with all existing rules.
- Q.** If they decide to phase out the advance premium tax credit over two years does that mean employer reporting will still need to occur for those two years?
- A.** It is likely that some form of employer reporting will continue for at least a period of time. However, the details of the reporting requirements could change depending on changes to the underlying law.
- Q.** What's the likelihood that Medicaid expansion will be rolled back? %?
- A.** We think this is very likely. Both President elect Trump and the Republican party have made this a priority.

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