

# HEALTH CARE PLANNING AND COMPLIANCE FOR SMALL EMPLOYERS

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## Anything New for Health Care in 2019?

- Average Premiums
- 2019 Health Insurance
- Individual Mandate Repealed
- Coverage Trends

## Permitted Health Care Financing Options for Small Employers

- Small Business Health Care Tax Credit
- Qualified Small Business Health Reimbursement Arrangement
- Health Reimbursement Arrangements
- After Tax Benefits

## Small Business Health Care Tax Credit

- Employer Size
- Average Wages
- Full-Time Employees
- Employer Cost Sharing

## What is the Credit?

- 50% / 35%
- Sliding Scale Benefit

## Counting Employees

- Excluded Employees
- Full-Time Equivalent
- Average Wages

## Years Credit Is Available

- Form 8941
- Before 2014
- On or After 2014

## Tax Credit - Example

- S Corp with 1 Owner
- 12 Full-Time Employees
- 4 Part-Time Employees
- \$16/Hour for 40 Hours
- Tax Credit = \$30,870



## QSEHRA

- What is it?
- Employers Eligibility
- Benefits Available
- Notification and Documentation

## Health Reimbursement Arrangements

- Integrated HRA is Permitted
- Excise Tax Issues
- Participation
- Single Owners
- Ancillary Benefits

## HRA Reimbursement for Individual Coverage and Medicare/Medigap

- IRS Notice 2015-17
- IRS Notice 2015-87

## Health Reimbursement Arrangements

- Documentation Requirements
- Notice Requirements

# New Proposed Regulations

- IRS/DOL/HHS Proposed Regulations Issued on 10/23/18
- Based on the President's Executive Order from Last Year
- Proposed Effective Date is 1/1/20
- No Early Reliance

## Summary of Proposed Regulations

- OK to Integrate HRA with Individual Coverage
- Cannot be Eligible for Both an HRA Integrated with an Individual Policy and Traditional Employer Group Health Plan
- Can Use 125 Plan to Pay Pre-Tax Premiums for Non-Exchange Individual Coverage

## Summary of Proposed Regulations

- Offered On Same Term to All Employee Class
- Opt-Out Required
- Must Verify Individual Coverage
- Notice Requirements
- Excepted Benefit HRAs
- ACA Pay or Play Rules Impacted

## Form 5500 Changes

- Joint DOL/IRS/PBGC Regulation
- Impact on Health Plans
- Impact on Retirement Plans
- Plan Audit Issues



## Health and Welfare Plan Documents

- ERISA and Internal Revenue Code
- DOL SPD Requirements
- FSA and POP
- Association Health Plans