



Compliance Corner

June 13, 2017

Federal Health Updates

U.S. Supreme Court Rules that ERISA's "Church Plan" Exception Applies to Religiously Affiliated Organizations

On June 5, 2017, the Supreme Court of the United States unanimously ruled (with Justice Gorsuch abstaining) that religiously affiliated hospitals need not have been established by churches in order to qualify for ERISA's "church plan" exception. The Court's decision in *Advocate Health Care Network v. Stapleton et. al*, Nos. 16-74, 16-86 and 16-258, (June 5, 2017) reverses decisions from the U.S. Courts of Appeals for the Third, Seventh and Ninth Circuits.

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Fifth Circuit Recognizes SPD as Sufficient Plan Document

On May 30, 2017, the United States Court of Appeals for the Fifth Circuit ruled in favor of the plan administrators in *Rhea v. Alan Ritchey, Inc. Welfare Benefit Plan*. In this case, a dependent on the Alan Ritchey Welfare Benefit Plan received a settlement under a medical malpractice claim. After Rhea received her settlement, the Plan sought reimbursement for the claims they had paid for her injuries. Specifically, the SPD contained reimbursement and subrogation language that required reimbursement of any funds paid by the plan in the event that a third party paid a settlement for causing such injuries.

Announcements

NFP Benefits Compliance Podcast Episode 10

This week Suzanne Spradley and Chase Cannon take on the definition and background relating to a single-payer system. The two discuss the pros and cons, history and background of a single-payer system, including attempts to implement such a system at the state level and federal discussion as the debate on health care reform continues in the U.S. Senate.

[Listen Here »](#)

Reminder: Form 5500 Filing for Calendar Year Plans Due July 31

Applicable plan sponsors must file Form 5500-series returns on the last day of the seventh month after their plan year ends. As a result, calendar-year plans generally must file by July 31 (reporting on the 2016 plan year). Plans may request a 2 1/2 month extension to file by submitting Form

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5558, "Application for Extension of Time to File Certain Employee Plan Returns," by that plan's original due date.

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Reminder: PCOR Fee, Form 720 Filing Due July 31

PPACA imposed the PCOR fee on health plans to support clinical effectiveness research. The PCOR fee applies to plan years ending on or after Oct. 1, 2012, and before Oct. 1, 2019. The PCOR fee is generally due by July 31 of the calendar year following the close of the plan year.

PCOR fees are required to be reported annually on Form 720, "Quarterly Federal Excise Tax Return," for the second quarter of the calendar year.

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New White Paper: New York Paid Family Leave

New York's Paid Family Leave (PFL) law takes effect beginning Jan. 1, 2018. This new white paper walks through the background and details of the PFL law, including employer obligations to comply, employee eligibility for PFL leave, and benefits and protections available to eligible employees. Please ask your advisor or account management team for a copy.

State Updates



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FAQ

Now that the IRS has announced the 2018 limits for HSA-qualifying HDHP coverage, does a non-calendar year HDHP need to make changes on Jan. 1, 2018, or can it wait until the plan renews in 2018?

[Read the Answer »](#)

Reference

Commonly Used Acronyms
[Glossary »](#)

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