



Compliance Corner

September 6, 2017

Health Care Reform

IRS Releases 2017 Draft Instructions for Forms 1094-C and 1095-C

On Aug. 28, 2017, the IRS released a draft version of the instructions for Forms 1094-C and 1095-C, which are used by large employers to comply with Section 6056 reporting under the PPACA. The most notable change is that no Section 4980H transition relief is available beginning with the 2017 reporting year. Thus, all references to such relief have been removed. Specifically, boxes B and C on Line 22 of the Form 1094-C (which were previously used to claim transition relief) have now been marked as “reserved.” Similarly, column (e) of Part III of the Form 1094-C has also been marked “reserved.”

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Federal Updates

IRS and DOL Publish Guidance for Those Impacted by Hurricane Harvey

The IRS and DOL both recently published guidance containing some relief for those individuals and businesses in designated Texas counties that have been impacted by Hurricane Harvey. Specifically, the IRS offered extensions for certain tax filing deadlines that applies automatically to any individual or business who resides with the affected Texas counties (as outlined in the notice). As a result, if a form was

Announcements

Podcast Episode 15: Stabilizing Insurance Markets and Bipartisan ACA Discussions

With the Senate Parliamentarian announcing the end of September as a deadline for the 2017 ACA repeal GOP reconciliation bill, the GOP’s hopes of repealing and replacing the ACA appear officially dead. The discussion now moves towards stabilizing the insurance markets and bipartisan ACA changes. In episode 15 of the podcast, Suzanne Spradley and Chase Cannon preview this week’s Senate committee hearings relating to a bipartisan ACA stabilization bill. Suzanne describes which Senators will be sitting on the committee and which governors and other players will be star witnesses. The pair also discuss the primary issues that will be addressed in the hearings (including unpredictability and instability of the insurance markets and continued premium rate increases) and how a group in the

due on or after Aug. 23, 2017, the form is now due on Jan. 31, 2018. The relief would apply to those employers that may have previously applied for a Form 5500 filing extension (either automatically or via Form 5558), as well as for any quarterly payroll/employment/excise tax filings due. Employers should work with their broker and/or professional accountant (or outside tax counsel) when it comes to appropriately filing extensions.

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District Court Orders EEOC to Reconsider Wellness Program Regulations

On Aug. 22, 2017, the U.S. District Court for D.C. issued a ruling in *AARP v. EEOC*, Civ. No. 16-2113 (D.D.C., Aug. 22, 2017). The AARP sued the EEOC in relation to its wellness program regulations, which took effect for plan years starting on or after Jan. 1, 2017. The regulations apply to employer-sponsored wellness programs that involve disability-related inquiries and medical examinations. They permit such programs to provide incentives up to 30 percent of the cost of coverage to participants meeting a certain health standard. If the participation is voluntary and the program meets other requirements, it will be considered in compliance with the Americans with Disabilities Act (ADA) and the Genetic Information Nondiscrimination Act (GINA).

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Retirement Updates

DOL Proposes Extension of Fiduciary Rule Transition Period

On Aug. 31, 2017, the DOL proposed an extension of the fiduciary rule's transition period — the rule became effective on June 9, 2017, however, the best interest contract (BIC) exemption and other related prohibited transaction exemptions were not going to become effective until Jan. 1, 2018. The DOL is now seeking to extend the transition period from Jan. 1, 2018 to July 1, 2019.

As we've reported in previous issues of *Compliance Corner*, President Trump requested that the DOL re-examine the rule to determine if it is harmful to American investors. Although

House may have some bipartisan ideas that everyone can finally agree on.

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Recordings of August Webinar Series Now Available

Recordings of the Benefits Compliance August webinar series are now available in the [NFP Client Learning Portal](#). Series topics include: "Medicare and Your Plan: Benefit Issues to Consider," "Health Care Reform: The Saga Continues" and "HIPAA, HIPAA, HIPAA".

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Reminder: Calendar Year SAR Must be Distributed by Sept. 30, 2017

Plans that are subject to ERISA and Form 5500 filing must distribute their summary annual report (SAR) to participants within nine months of the end of the plan year, thus, a calendar year plan is required to distribute the SAR for the 2016 plan year by Sept. 30, 2017. If the plan applied for an extension to the Form 5500 filing, the SAR is then due within two months following that filing.

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It's MLR Rebate Time Again

PPACA requires insurers to submit an annual report to HHS accounting for plan costs. If the insurer does not meet the medical loss ratio (MLR) standards, they must provide rebates to policyholders. Rebates must be distributed to employer plan sponsors

the DOL was unable to further delay the effective date of the rule (past June 9, 2017), they did request comments from the public on the rule and on its review. Some of those comments expressed the fact that there is not enough time between now and the Jan. 1, 2018 applicability of the BIC and other related exemptions for the DOL to review the rule. The DOL agreed and expressed a concern that without a delay in the applicability date, parties could incur undue expenses in seeking to comply with a law that could eventually change.

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between Aug. 1, 2017, and Sept. 30, 2017. Employers should keep in mind that if they receive a rebate, there are strict guidelines as to how the rebate may be used or distributed to employees.

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State Updates

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FAQ

The employer has over 100 employees and some are eligible for Medicare. The employer wants to help those Medicare eligible employees by paying a portion of the premium for the Medicare supplement plan. May an employer pay some or all of an employee's (or spouse's) premiums for a Medicare supplement plan?

[Read the Answer »](#)

Reference

Commonly Used Acronyms

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