



Compliance Corner

November 4, 2016

Health Care Reform

IRS Releases Early Look at PPACA Information Returns (AIR) Submission Composition and Reference Guide, Processing Year 2017

On Oct. 18, 2016, the IRS released the *Early Look AIR Submission Composition and Reference Guide, Processing Year 2017* version 1.0. This resource is meant to assist various entities with electronic information return (AIR) submissions required under PPACA. Forms 1094-B and 1095-B (Section 6055 reporting) are required of insurers providing MEC and smaller employers (less than 50 full-time employees and equivalents) that self-insure their group health plans. Forms 1094-C and 1095-C (Section 6056 reporting) are to be filed by applicable large employers subject to the employer mandate. Further, applicable large employers who sponsor a self-insured plan will use the Form 1095-C to fulfill their Section 6055 reporting requirements (via Part III of Form 1095-C).

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Announcements

November Training Opportunities, Register Now

NFP Benefits Compliance is hosting a series of webinars in November. Training dates are Nov. 2, Nov. 9 and Nov. 16, 2016, at 3:00 pm ET, with the respective topics being: “Time’s Up: Get in Compliance with HIPAA Privacy and Security,” “Lessons Learned: ACA Reporting and Employer Mandate Compliance,” and “Spotlight on Mental Health Parity.”

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Final Reminder: Transitional Reinsurance Filing Due Nov. 15, 2016

DOL Publishes PPACA Implementation FAQs Part XXXIII (Premium Reduction Arrangements for Student Health Plan Coverage) and Part XXXIV (Mental Health and Substance Use Disorder Parity)

On Oct. 21, 2016, the IRS, DOL and HHS (the Departments) published FAQs about PPACA Implementation (Part XXXIII), addressing whether the Departments will extend enforcement relief to colleges and universities that offer certain health care premium reduction arrangements with student health plans.

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Federal Updates

IRS Releases Information Letter Affirming Notice Obligation of Qualified Beneficiary Seeking Disability Extension

On Sept. 30, 2016, the IRS publicly released Information Letter 2016-0043, dated May 25, 2016. This letter is a response to a taxpayer's correspondence concerning COBRA continuation coverage, which is generally 18 months. Specifically, this taxpayer asked about the COBRA disability extension, which provides a 29-month maximum coverage period.

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IRS Publishes Announcement on Retirement Plan Distribution Relief for Hurricane Matthew Victims

On Oct. 21, 2016, the IRS published Announcement 2016-39, which provides retirement plan distribution relief for those who have been adversely affected by Hurricane Matthew. According to the announcement,

Employers who sponsor a self-insured health plan providing minimum value must file their annual enrollment count for the transitional reinsurance program by Nov. 15, 2016. The filing and payment are completed through www.pay.gov. Actual payments are not due until Jan. 17, 2017, and Nov. 15, 2017, but the plan must submit its bank information and schedule its payment at the time of filing. The insurer is responsible for filing for a fully insured plan. Self-administered, self-insured plans are exempt from the fee, but a limited disclosure is required. This is the last year of the reinsurance fee and reporting.

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State Updates

 **Minnesota**
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FAQ

We sponsor a fully insured group health plan for which we received a Medical Loss Ratio (MLR) rebate. Are there restrictions on how the rebate must be used?

[Read the Answer »](#)

Reference

employer sponsors of certain retirement plans, including 401(k), 403(b) and 457(b) plans, can make loans and hardship distributions to victims of Hurricane Matthew and members of their families who live or work in disaster area localities (and designated for individual assistance by the Federal Emergency Management Agency (FEMA)). This includes parts of North Carolina, South Carolina, Georgia and Florida.

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IRS Issues 2017 Limits on Benefits and Contributions under Qualified Retirement Plans

On Oct. 27, 2017, the IRS issued News Releases IR-2016-141 and Notice 2016-62, which relate to certain cost-of-living adjustments for a wide variety of tax-related items, including pension plans and other limitations for tax year 2017.

For 2017, the elective deferral limit for employees who participate in 401(k), 403(b), most 457 plans and the federal government's Thrift Savings Plan remained unchanged at \$18,000. Additionally, the catch-up contribution limit for employees age 50 and over who participate in any of those plans remains at \$6,000. The annual limit for Savings Incentive Match Plan for Employees (SIMPLE) retirement accounts remains at \$12,500.

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IRS Issues 2017 Cost of Living Adjustments

On Oct. 25, 2016, the IRS issued Revenue Procedure 2016-55, which relates to certain cost-of-living adjustments for a wide variety of tax-related items, including transportation benefits, qualified parking

Commonly Used Acronyms

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benefits, health FSAs and other limitations for tax year 2017.

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