



## Compliance Corner

March 21, 2017

### Health Care Reform

#### **HHS Promotes ACA Section 1332 Innovation Waivers**

On March 13, 2017, HHS and the Department of the Treasury (the Departments) released a letter giving states greater flexibility in pursuing an innovation waiver under Section 1332 of the ACA. As background, the ACA, or health care reform allows states to apply for an “innovation waiver” from the employer shared responsibility penalty tax and certain other requirements for plan years beginning on or after Jan. 1, 2017. The waivers provide states the flexibility to pursue their own strategies to provide their residents with access to health insurance that is affordable and provides MEC.

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### Federal Health Updates

#### **IRS Publishes Information Letter on Cafeteria Plan Forfeitures**

The IRS recently released IRS Information Letter 2016-77 relating to cafeteria plan forfeitures. As background, IRS information letters are not considered formal guidance, but do provide insight into how an IRS representative may view or rule on a certain issue.

The letter is in response to an individual who asks what is done with the funds remaining in a Section 125 cafeteria plan

### Announcements

#### **Compliance Podcast Episode 4**

This week Suzanne Spradley and Chase Cannon discuss the GOP’s health care reform proposal and the American Health Care Act, including its repeal of employer and individual mandate penalties.

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#### **Reminder: Upcoming Reporting Deadline**

*IRC Sections 6055 and 6056 Reporting*

Applicable large employers (ALEs—those with 50 or more full-time employees including equivalents) in 2015 must comply with IRC Section 6056 reporting in 2017. Specifically, ALEs should have completed and distributed a Form 1095-C to full-time employees by March 2, 2017. Additionally, self-insured employers should have completed and distributed Forms 1095-B to employees by March 2, 2017 (in compliance with IRC Section 6055 reporting requirements).

if the plan terminates in its entirety. The IRS explains that the plan document must be reviewed for any governing terms. Specifically, the sponsoring employer or board of directors must have reserved the right to amend the plan in the written plan document, and the amendment terminating the plan must be adopted in writing and participants notified.

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## Retirement Updates

### **DOL Releases Field Assistance Bulletin Establishing Temporary Enforcement Policy on Conflict of Interest Rule**

On March 10, 2017, the DOL released Field Assistance Bulletin (FAB) No. 2017-01. This FAB announces a temporary enforcement policy related to the DOL's Conflict of Interest Rule (the Rule). As background, the DOL recently proposed a 60-day delay of the Rule's applicability date after Pres. Trump instructed the DOL to conduct additional analysis of the Rule and its impact on American Investors.

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## State Updates

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## FAQ

Can employers still vary employer contributions for different classes of employees? And will the Section 105 nondiscrimination rules ever apply to fully insured plans?

[Read the Answer »](#)

## Reference

Commonly Used Acronyms

[Glossary »](#)

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