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## Compliance Corner

May 6, 2014

### HEALTH CARE REFORM

#### DOL Issues PPACA Implementation FAQs Part XIX

On May 2, 2014, the DOL, HHS and Treasury (collectively, the Departments) jointly issued eight new frequently asked questions related to PPACA implementation, limitations on cost-sharing, coverage of preventive services, health FSA carryovers and excepted benefits, and the summaries of benefits and coverage (SBC) requirement. The guidance provides the location of the newest model notices, including the recently updated COBRA general notice and COBRA election notice.

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#### CMS Releases New Tools for SHOP Exchanges

On April 23, 2014, CMS announced the availability of two new tools for employers using SHOP exchanges: a small business health care tax credit estimator and a full-time equivalent (FTE) employee calculator.

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#### CMS Issues Guidance Related to COBRA Coverage and Exchange Eligibility

### FAQ

Is no longer being able to afford elected coverage a Section 125 qualifying event that would permit a midyear reduction in benefits?

[Read the answer »](#)

### STATE UPDATES

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 North Carolina

On April 21, 2014, CMS issued guidance, in the form of a frequently asked question (FAQ), clarifying how COBRA coverage impacts an individual's eligibility to enroll in the exchange and to receive a premium tax credit. As background, the open enrollment period for almost all exchanges ended March 31, 2014. Individuals may only enroll in the exchange midyear if they qualify for a special enrollment period due to a qualifying event. The FAQ clarifies that during the open enrollment period for the exchange, an individual who has voluntarily terminated his/her COBRA coverage (i.e., COBRA coverage has not been exhausted) will be eligible to enroll in a qualified health plan through the exchange.

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## FEDERAL UPDATES

### DOL Releases Proposed Guidance Affecting COBRA Model Notices

On May 2, 2014, EBSA released an advanced copy of proposed rulemaking, which will be published in the May 7, 2014, *Federal Register*. The guidance amends notice requirements for COBRA so as to better align PPACA and COBRA notice requirements and to add information relating to special enrollment rights in the state health insurance exchanges.

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### IRS Publishes 2015 HSA Contribution Limits and Qualifying HDHP Deductible and Out-of-pocket Maximum Limits

On April 23, 2014, the IRS published Rev. Proc. 2014-30, which provides the 2015 inflation-adjusted amounts for HSAs and HSA-qualifying HDHPs. According to the Rev. Proc., the 2015 annual HSA contribution limit is \$3,350 for individuals with self-only HDHP coverage (up \$50 from 2014) and \$6,650 for individuals with family HDHP coverage (up \$100 from 2014).

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### IRS Addresses Tax Consequences

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## REFERENCE

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## for Non-dependent Domestic Partner HRA Coverage

On April 11, 2014, the IRS published a private letter ruling, PLR 2014-5011, which addresses an employer arrangement that provided HRA benefits (via a funded trust) to employees and retirees and their dependents (including domestic partners who qualified as tax dependents). The trust (a voluntary employees' beneficiary association, or VEBA) requested the IRS ruling, specifically asking about the tax consequences associated with extending HRA coverage and benefits to non-tax-dependent domestic partners.

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