

# Benefits Buzz

Benefits and HR tips brought to you by the insurance specialists at Benefit & Compensation Specialists, PLLC.

## DID YOU KNOW?

Under the new reform legislation, many provisions won't kick in until 2014. Some changes you can expect in 2010 include:

- Dependent children can remain on their parents' health plans until age 26.
- Some seniors will see rebates under the Medicare drug plan.
- Those with a medical condition that left them uninsurable could qualify for coverage under a federal program.
- Subsidies begin for small businesses to provide coverage to employees.
- Insurance companies barred from imposing lifetime limits on benefits, rescinding coverage except in cases of fraud and imposing pre-existing condition exclusions on children.



## Employer Requirements of Health Care Reform Legislation

Effective in 2014, highlights of the employer responsibilities under the recently passed health care reform legislation are as follows:

- Certain employers will be assessed a fee per full-time employee if they don't offer health care coverage.
- Employers with more than 50 employees who do not offer coverage and have at least one full-time employee who receives a premium tax credit will be assessed a fee of \$2,000 per full-time employee, excluding the first 30 employees.
- Employers with more than 50 employees that offer coverage but have at least one full-time employee receiving a premium tax credit will either pay \$3,000 for each employee receiving the premium credit or \$2,000 for each full-time employee, whichever is less.
- Employers who offer coverage to their employees must provide a free choice voucher to enroll in a public insurance exchange to employees with incomes less than 400 percent of the federal poverty level whose share of the premium is more than 8 percent, but less than 9.8 percent of their income and who choose to enroll in a plan in the Exchange. Employers providing the vouchers will not be subject to penalties for employees that receive premium credits in the Exchange.
- Employers with 50 or fewer employees are exempt from the penalties.
- Employers with more than 200 employees must automatically enroll employees in the coverage offered by the employer. Employees may opt out of the coverage.

## Congress Passes HIRE Act

On March 18, President Obama signed the Hiring Incentives to Restore Employment (HIRE) Act into law. Highlights of the legislation include:

- Employers are exempt from paying the employer share of Social Security employment taxes on wages paid in 2010 to newly hired, qualified unemployed workers.
- Employers are provided with a tax credit for retaining qualified unemployed workers for at least 52 consecutive weeks with some wage restrictions.
- For tax years beginning in 2010, the HIRE Act boosts the maximum amount that can be expensed under Code Sec. 179 for certain depreciable business assets and boosts the beginning of the investment-based phase-out amount.
- Allows insurers of certain tax credit bonds to elect to receive a direct payment instead of a tax credit to the bondholder.