

Recent Health and Welfare Developments 2018 – Fall Edition

This *FYI Roundup* highlights developments affecting health and welfare benefits. In this edition, we look at recent guidance on ACA assessments, rules on association health plans, the projected 2019 health FSA contribution limit, and Medicare Part D creditable/non-creditable coverage notices.

In this issue: [Recent Guidance](#) | [Employer Mandate Enforcement](#) | [Association Health Plans Primer](#) | [Health FSA Limit to Increase](#) | [Deadline for Medicare Part D Creditable/Non-Creditable Coverage](#)

Recent Guidance

Recent guidance includes information about enforcement of the employer mandate under the Affordable Care Act and new rules for association health plans.

IRS Doubles Down on Employer Mandate Enforcement

IRS released additional guidance in June on its process for the assessment and payment of the ACA's employer shared responsibility payment for the 2015 calendar year. In addition to sending assessment notices in connection with an employer's failure to offer minimum essential coverage to at least 70% of its full-time employees and their dependents, the IRS is sending assessment notices to employers for offering coverage in 2015 that was "unaffordable" or failed to provide minimum value. If timing is like last year, IRS will start releasing assessment notices for the 2016 calendar year later this year. (See our [July 16, 2018](#) *For Your Information*.)

Association Health Plans: A Primer for Large Employers

In June, the DOL issued final rules that expand the types of arrangements through which groups of employers can band together to form association health plans and be treated as single employer for ERISA purposes. This rule is intended to enable small businesses to purchase health coverage as a large group for their member companies — and thereby broaden risk pools and access to health coverage at lower rates. While the final rule garnered media attention, it will not directly affect most large employer plans. (See our [September 5, 2018](#) *For Your Information*.)

Health FSA Contribution Limit Projected to Increase to \$2,700 in 2019

The ACA amended the Internal Revenue Code to impose an annual limit on the amount of salary reduction contributions an employee may make to a healthcare flexible spending account (Health FSA). The limit is subject to indexing based on the increase in Consumer Price Index for All Urban Consumers (CPI-U) each year. The 2019 indexing is based on the 12-month average CPI-U through August 2018. Buck is projecting that the limit will increase to \$2,700 for 2019. (See our [September 20, 2018 For Your Information.](#))

October 14, 2018 Deadline for Medicare Part D Creditable/Non-Creditable Coverage Notices Nears

Plan sponsors that offer prescription drug coverage must provide notices of creditable or non-creditable coverage to Medicare-eligible individuals before each year's Medicare Part D annual enrollment period — this year, by October 14, 2018. The notice obligation is not limited to retirees and their dependents but also includes Medicare-eligible active employees and their dependents and Medicare-eligible COBRA participants and their dependents. (See our [September 6, 2018 For Your Information.](#))

Authors

Kin Chan
Leslye Laderman, JD, LLM

Produced by the Knowledge Resource Center

The Knowledge Resource Center is responsible for national multi-practice compliance consulting, analysis and publications, government relations, research, surveys, training, and knowledge management. For more information, please contact your account executive.

You are welcome to distribute *FYI* publications in their entirety.

This publication is for information only and does not constitute legal advice; consult with legal, tax and other advisors before applying this information to your specific situation.