

FYI[®] Roundup

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Recent health and welfare developments 2020 – winter edition

This *FYI Roundup* highlights developments affecting health and welfare benefits. In this edition, we look at recent guidance on mental health parity compliance, 2020 benefit plan limits, 2020 Medicare Part A and B values, the extended deadline for 2019 employer ACA disclosures, and the repeal of the Cadillac tax. While not a recent development, we also include information about and a link to a health and welfare nondiscrimination testing resource guide that we released in December.

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Departments finalize mental health parity compliance guidance

The Departments of Labor, Treasury, and Health & Human Services finalized guidance on how MHPAEA's nonquantitative treatment limitation rules apply to experimental or investigative treatment exclusions, step therapy requirements, and provider networks. The departments also issued a final disclosure template to help participants and beneficiaries request information on limitations that may affect their mental health and substance use disorder benefits. With MHPAEA enforcement still a priority, now is a good time to work with advisors to evaluate parity compliance. (See our [FYI from October 24, 2019](#).)

IRS announces some 2020 benefit plan limits

The IRS issued Revenue Procedure 2019-44, which contains 2020 limits for health flexible spending arrangements, qualified transportation fringe benefits, adoption assistance programs, and long-term care insurance premiums. (See our [November 7, 2019 FYI Alert](#).)

CMS releases Medicare Part A and B values for 2020

CMS announced the 2020 Medicare Part A and B premium, deductible, and coinsurance amounts. As in prior years, the amounts increased. The 2020 Medicare Part D parameters were released earlier in 2019. (See our [November 13, 2019 FYI Alert](#).)

IRS extends deadline for 2019 employer ACA disclosures

The IRS extended the ACA deadline for furnishing Forms 1095-C and 1095-B to individuals — from January 31, 2020 to March 2, 2020. The deadline for filing the forms with the IRS electronically was not extended and is March 31, 2020. (See our [December 5, 2019 FYI Alert](#).)

Cadillac tax repealed

Legislation passed by the House and the Senate in December repealed several ACA taxes, including the Cadillac tax. However, the legislation also extends the PCORI fee for an additional 10 years. (See our [December 20, 2019 FYI Alert](#).)

Resource guide for health and welfare nondiscrimination testing

Generally, compensation in any form paid, or otherwise provided, by an employer to an employee constitutes taxable wages unless it qualifies for a specific exclusion from income. Exclusions are provided for certain employer-provided benefits — group term life insurance (Section 79), self-insured health benefits (Section 105), educational assistance (Section 127), dependent care (Section 129), and adoption assistance (Section 137). In addition, benefits offered through a cafeteria plan (Section 125) qualify for an income tax exclusion. Each exclusion comes with an important condition — for executives and other highly paid individuals to take advantage of the exclusion, an employer must demonstrate that the benefit satisfies applicable nondiscrimination tests. Although not a current development, Buck issued an *FYI In-Depth* that discusses the general principles behind the various health and welfare nondiscrimination tests as well as the specific tests applicable to particular benefits. It's intended to be a consolidated easy-reference document. (See our [December 6, 2019 FYI In-Depth](#).)

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