



INSURANCE AGENCY

ADVANCING THE MANUFACTURING AND SMALL BUSINESS COMMUNITIES

JUNE 2017

Benefits **BUZZ**

Benefits tips brought to you by
SMC Insurance Agency, Inc.

AHCA Passes House

The American Health Care Act (AHCA) was passed by the U.S. House of Representatives on May 4, 2017. The AHCA will move to the Senate for a vote and possible amendments.

The AHCA needed 216 votes to pass in the House. It passed on a party-line vote, with 217 Republicans and no Democrats voting in favor of the legislation. It needs a simple majority vote in the Senate to pass.

Impact on ACA Provisions

The AHCA would reduce the penalties imposed under the Affordable Care Act's (ACA) individual and employer mandate provisions to zero beginning in 2016, effectively repealing both mandates.

While individuals would not be required to obtain health insurance, beginning with open enrollment for 2019, the AHCA would allow issuers to add a 30 percent late-enrollment surcharge for applicants that had a lapse in coverage of more than 63 days during the previous 12 months. [Read More>>](#)

DID YOU KNOW?

Generally, wellness incentives are subject to the same federal tax rules as any other employee rewards or prizes.

Cash and cash equivalents (for example, a \$100 gift card for taking a health risk assessment) are always taxable.

Another taxable example is an employer's payment of gym or health club membership fees, unless the membership qualifies as medical care.

IRS Announces HSA/HDHP Limits for 2018

On May 5, 2017, the Internal Revenue Service (IRS) released Revenue Procedure 2017-37 to announce the inflation-adjusted limits for health savings accounts (HSAs) and high deductible health plans (HDHPs) for 2018. These limits include:

- The maximum HSA contribution limit;
- The minimum deductible amount for HDHPs; and
- The maximum out-of-pocket expense limit for HDHPs.

These limits vary based on whether an individual has self-only or family coverage under an HDHP.

[Read More>>](#)

ACA COMPLIANCE BULLETIN

AFFORDABILITY PERCENTAGES WILL DECREASE FOR 2018

On May 5, 2017, the Internal Revenue Service (IRS) issued Revenue Procedure 2017-36 to index the contribution percentages in 2018 for purposes of determining affordability of an employer's plan under the Affordable Care Act (ACA). For plan years beginning in 2018, employer-sponsored coverage will be considered affordable if the employee's required contribution for self-only coverage does not exceed:

- 9.56 percent of the employee's household income for the year, for purposes of both the pay or play rules and premium tax credit eligibility; and
- 8.05 percent of the employee's household income for the year, for purposes of an individual mandate exemption (adjusted under separate guidance). [Read More>>](#)