New Year, New President, New HR Challenges

What to Expect in 2017
Today’s Webinar:

» Handouts are located on the handout widget on your webinar console.

» This webinar is being recorded. You will receive a link via email.

» Use the question box for any questions or logistical issues.

» The HRCI and SHRM credit codes will be provided at the end of the webinar.

» Please take our short survey at the end of the webinar—we value your feedback.
What Could Change?
What Could Change?

Possible changes:

» Rescinding Executive Orders

» Highlighting legislation to repeal

» Slowing down government agency action

» Changing enforcement priorities at the federal level

Agencies affected:

» Department of Labor

» Equal Employment Opportunity Commission

» Occupational Safety and Health Administration

» National Labor Relations Board

» Health and Human Services

» Internal Revenue Service
Prepare Yourself

» Review your policies

» Think about what changes may affect you and your business
The New Administration

» Trump administration taking shape to deliver on campaign promises
» Congressional Republicans at the helm
» “Repeal and Replace” or “Repeal and Delay”
» Key issue—how to minimize disruptions in coverage and markets
» Until changes are finalized—Employers should “stay the course”
Health Care Reform

Possibilities:

» Replace ACA with a less regulated and more affordable solution

» Lengthy process

» Issue regulatory guidance not to enforce certain provisions of the law

48%
Say that the employer mandate is their primary concern for the new administration
Benefit Items for 2017

Effective for group health plan years renewing on or after **January 1, 2017**:

» Affordability Safe Harbor Percentage is 9.69% (up from 9.66% in 2016)

» Cash in Lieu, also called opt-outs, is very uncertain at this time.

» HRA reimbursements hinge upon enrollment in the group health plan effective **January 1, 2017** (IRS Notice 2015-87)

• Example: an employee with self-only coverage cannot request reimbursement for medical expenses for a spouse since the spouse is not covered by the underlying health plan
Effective for plan years renewing on or after **January 1, 2017**:  

» HSA contribution limits:  
  
• 2017 Self-only contribution limit: $3,400 (up from $3,350)  
• 2017 Family contribution limit: $6,750 (no change)  
• 2017 Self-only statutory deductible: $1,300 (no change)  
• 2017 Family statutory deductible: $2,600 (no change)  
• 2017 OOP Self-only: $6,550 (no change)  
• 2017 OOP Family: $13,100 (no change)
Benefit Items for 2017

» Increased Employer Mandate Penalties—“A” Penalty rises to $2,160 ($2,080 last year) and “B” Penalty increases to $3,240 ($3,120 last year)

» Health FSA limit increased to $2,600—first adjustment in 2 years

» Section 1557 Nondiscrimination for group health plans based on race, color, national origin, sex (includes gender identity), age or disability
There are many provisions in the bill but three stick out to us the most:

<table>
<thead>
<tr>
<th>Medicare Advantage OEP restored</th>
<th>HRAs for Small Employers (Section 18001)</th>
<th>Mental Health Parity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective January 2019</td>
<td>Provisions effective 12/31/2016</td>
<td>No expansion of Mental Health Parity and Addiction Equity Act</td>
</tr>
<tr>
<td>Key component of NAHU’s Medicare Advisory Group</td>
<td></td>
<td>Directs DOL to issue compliance guidance related to mental health rules and coordination</td>
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<td></td>
<td>5 violations by plan/insurer will result in audit of plans to improve compliance</td>
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2017 Reporting Deadlines

» Pre-Thanksgiving Day reprieve from IRS

» Extension of deadline for notice to employees to March 2, 2017

» No delay for reporting to IRS
  • Deadline to file paper forms with the IRS is February 28, 2017
  • Deadline to file electronically with the IRS is March 31, 2017

» Extension of Good Faith Compliance Standard
Few changes from last year:

» Conditional offers of coverage to spouses reported by new codes

» New schedule to solicit SSNs (TINs)
  • Upon completing application
  • 75 days later
  • December 30 of year after initial ask
## Non-Compliance Penalties

<table>
<thead>
<tr>
<th>Type of Failure</th>
<th>Per Form Penalty</th>
<th>Annual Maximum Large/Small Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filed less than 30 days late</td>
<td>$50</td>
<td>$529,500/$185,000</td>
</tr>
<tr>
<td>Filed before August 1</td>
<td>$100</td>
<td>$1,589,000/$529,500</td>
</tr>
<tr>
<td>Filed August 1 or later</td>
<td>$260</td>
<td>$3,178,500/$1,059,000</td>
</tr>
<tr>
<td>Intentional disregard</td>
<td>$520</td>
<td>No cap</td>
</tr>
</tbody>
</table>

“Good faith” standard extended!
Benefit Items for 2017

Effective for plan years renewing on or after January 1, 2017:

» EEOC Final ADA Wellness Rules
  • Participatory plans now limited to 30% of self-only coverage limit for disability-related inquiries

» EEOC Final GINA Wellness Rules
  • Inducements for spouses to complete an assessment

» EEOC New Notice Requirement
Benefit Items for 2017

» New Employer CHIP Notice: **July 31, 2016**

» Transitional Reinsurance Fee: Final Year

  • Payment deadlines are **January 17, 2017** ($21.60) and **Nov. 17, 2017** ($5.40)

» New Employer Marketplace Notice expires **Jan. 31, 2017**

  • Updated form not yet released

» For open enrollment periods on or after **April 1, 2017**:

» New SBC Templates
SBC Updates

» “Culturally and linguistically appropriate” county information updated

» There are new templates—begin using them for open enrollment periods occurring in April 2017

  • New version includes an additional coverage example
  • Clearer and more detailed language on certain coverage components
Get Prepared for Audits

» Update/prepare plan documents

» Review and support employee classification and independent contractor classifications

» Memorialize decisions

» Measurement methods/periods, orientation periods, waiting periods
Get Prepared for Audits

» Safe harbors
» Premium calculations
» Maintain proof of enrollment materials
» Maintain proof of offers of coverage and waivers
» Identify key personnel to address issues
Employment issues to watch:

- E-Verify mandate
- New I-9 Form—old form valid only through January 21, 2017
- North America Free Trade Agreement (NAFTA)
- Temporary Worker Visa Classifications
  - H1B/L-18 skilled workers
  - F-1/J-1 student visas
Labor Relations

What to watch:

» Persuader Rule
» NLRB “Quickie Election” Rule
» NLRB Joint Employer Definition
» Executive Orders 13496 and 13494
Employee Compensation

Keep an eye out for:

» Federal minimum wage
» FLSA Overtime Rule
» Fiduciary Rule
» Paid leave laws
Compensation and Performance Trends for 2017
Candidate and Employee Experience

Create loyalty and grow engagement by:

» Creating smooth applicant experiences
» Comprehensive onboarding programs
» Employment packages
Creative Pay Practices

» Performance-based and team-based incentives
  • Teamwork
  • Accountability
  • Innovation

» Special perks
Performance Planning and Reviews

» Check in more frequently
» Include individual and team goals
» Create an individualized performance and communication plan
Employees expect opportunities to learn and develop new skills.

Employers must meet that demand to attract/retain employees.
What to Focus on in 2017
What to Focus on in 2017

» Expect changes in laws and regulations
  • Health care reform
  • Compensation and other benefits
  • Other employer-friendly regulations

» Continue to manage compliance until changes actually happen

» Build your employment brand to attract talent

» Focus on culture, performance and communications to retain employees
Continuing Education Credits

» HRCI: 299423

» SHRM: 17-5FV54
About NAHU

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» Offers certification programs, online resources and conferences to help members develop professionally and personally

» Offers access to compliance tools and resources

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