

# Pike & Preston

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February 12, 2014

## Update: Employer Shared Responsibility...

On February 10, 2014 the Department of Treasury and IRS issued the final regulations for implementing the employer shared responsibility provision of the Affordable Care Act for 2015. Following are the highlights of these new final regulations:

- Small Businesses with fewer than 50 employees are not required to offer coverage and will not have to fill out any forms with regard to Informational Reporting of benefits offered/elected.
- Medium sized businesses, with 51 - 99 employees, have been given another year to comply with the Employer Shared Responsibility provisions. These size businesses will not be required to offer "affordable" minimum essential coverage or pay a penalty until 2016. However, they may be required to comply with



Department of the Treasury  
Internal Revenue Service

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## Quick Links

[Anthem Making Healthcare Reform Work](#)

[Humana's Healthcare Reform Resources](#)

[United Healthcare on Reform](#)

[Kaiser Family Foundation on Health Reform](#)

[Center for Consumer Information and Insurance Oversight](#)

[Healthcare.gov](#)

[KY Department of Insurance](#)

[KYNECT Health Benefit Exchange](#)

- the new reporting protocol beginning in 2015.
- Large employers, with 100 or more employees, will be subject to reporting on their benefits and employees in 2015, as well as face penalties if "affordable" minimum essential coverage is not offered to at least 70% of employees in 2015 and 95% in 2016.

Following is a link to new questions and answers post from the IRS: [IRS FAQs about Employer Shared Responsibility](#)

Treasury and IRS are hoping to substantially simplify and streamline the employer reporting requirements and have advised that they will issue final regulations shortly.

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### 90-Day Waiting Period

A short reminder that effective 1/1/2014, or your plan renewal following 1/1/2014, all employers are required to limit the length of time an employee is required to wait for benefits to take effect.

- **Employees and Dependents who are otherwise eligible to enroll under the terms of the plan must be allowed to enroll and have coverage take effect within 90 days of employment.**
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- Enrollment periods can be structured in any of the following manner:
  - Immediately;
  - First of the month following date of hire;
  - First of the month coinciding with or following 30 days of employment;
  - First of the month coinciding with or following 60 days of employment;
  - on the 90th day of employment.

If your plan has or had a waiting period of first of the month following 90 days of employment, you will have to change your new employee waiting period. Please be sure to contact us to discuss this change.

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### 2014 IRS Plan Limits

#### **Flexible Spending Accounts**

	<u>Maximum Annual Limit</u>
Healthcare Account	\$2,500
Dependent Daycare Account	\$5,000
Adoption Assistance	\$13,190

#### **Health Savings Accounts**

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Maximum Annual Limit

Individual	\$3,300
Family	\$6,550
Catch-up provision for age 55+	\$1,000

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**KYNECT Open Enrollment Ends 3/31/2014**

The Individual Mandate, under the Affordable Care Act, requires that all US residents have minimum essential health coverage or face a penalty/tax by 1/1/2014. Individuals can obtain coverage through employer plans, expanded Medicaid, Medicare, TriCare, VA benefits or an individual health insurance plan. Individual health insurance plans can be purchased on the exchange/marketplace (KYNECT) or off of the exchange/marketplace.

If a person is not eligible for an employer plan through their employment, their spouse's employment or a parent's employment they may qualify for a premium subsidy to help pay a portion of the cost of individual coverage, based on household size and adjusted gross income.

There are numerous items to take into consideration when looking at individual alternatives. Both Robin Gall and Kim Tabscott are KYNECT certified to help advise individuals with regard to their options both through KYNECT and directly with the carriers. We are available to assist your family, friends or part-time employees - please feel free to have them contact our office.

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We hope this edition of The Pike & Preston Minute has been helpful. Please let us know if you have a topic you would like discussed or if you would like to schedule a meeting to discuss these or any other topics.

Sincerely,

Robin C. Gall  
Account Coordinator  
Pike & Preston, LLC

This content is provided solely for informational purposes. It is not intended as and does not constitute legal advice. The information contained herein should not be relied upon or used as a substitute for consultation with legal, accounting and/or tax professionals.

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