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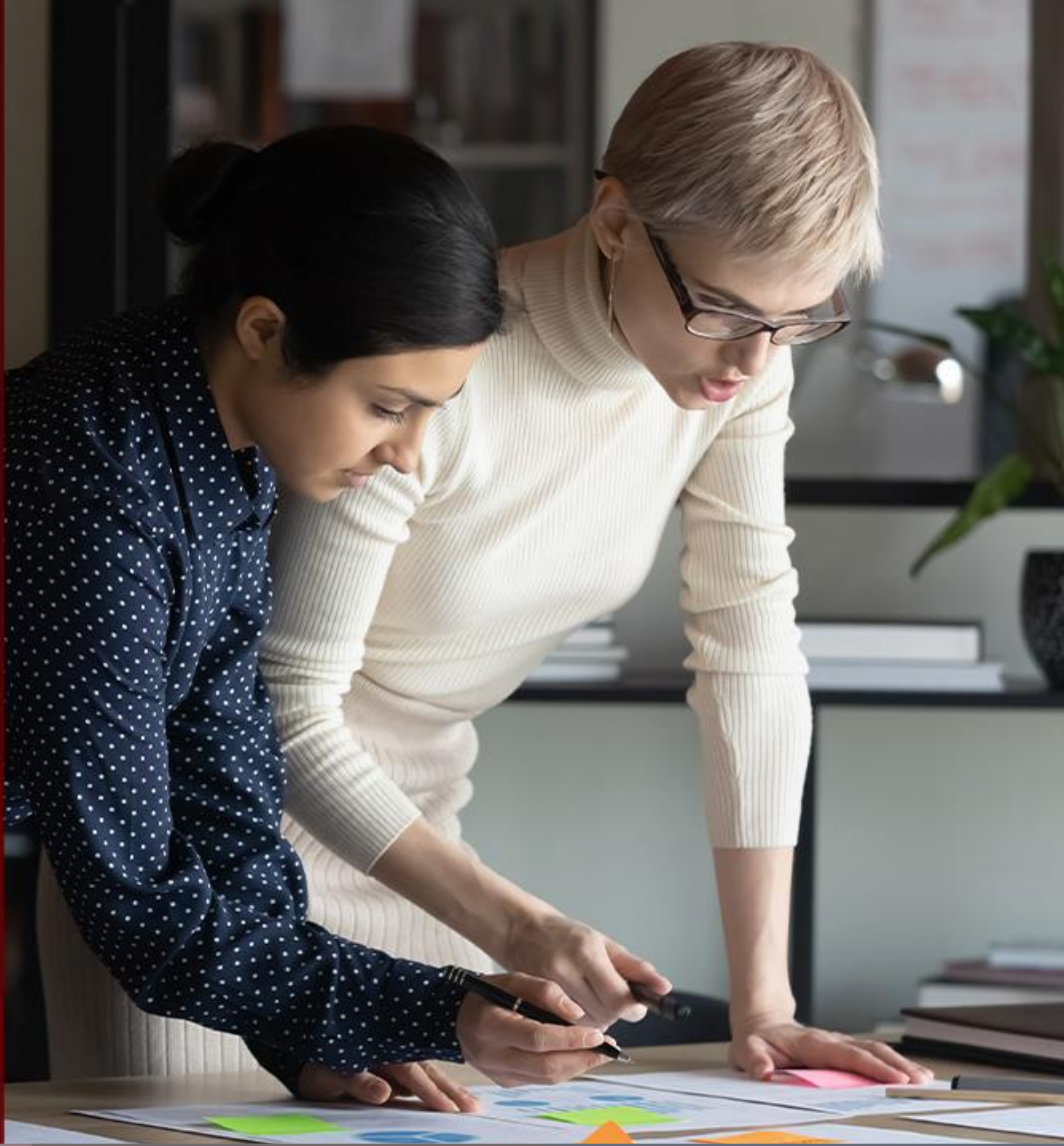
Greater Valley Forge Human Resources Association

Regulations, COVID, Rapid Changes to Employer Benefits What Every Employer Need to Know.

Date: April 1, 2021

Agenda

1. Consolidated Appropriations Act, 2021
2. DOL guidance clarifies COVID health coverage & testing requirements
3. DOL explanation on COBRA, ERISA relief- Outbreak Period
4. FFCRA – Family First Coronavirus Response Act
5. American Rescue Plan Act



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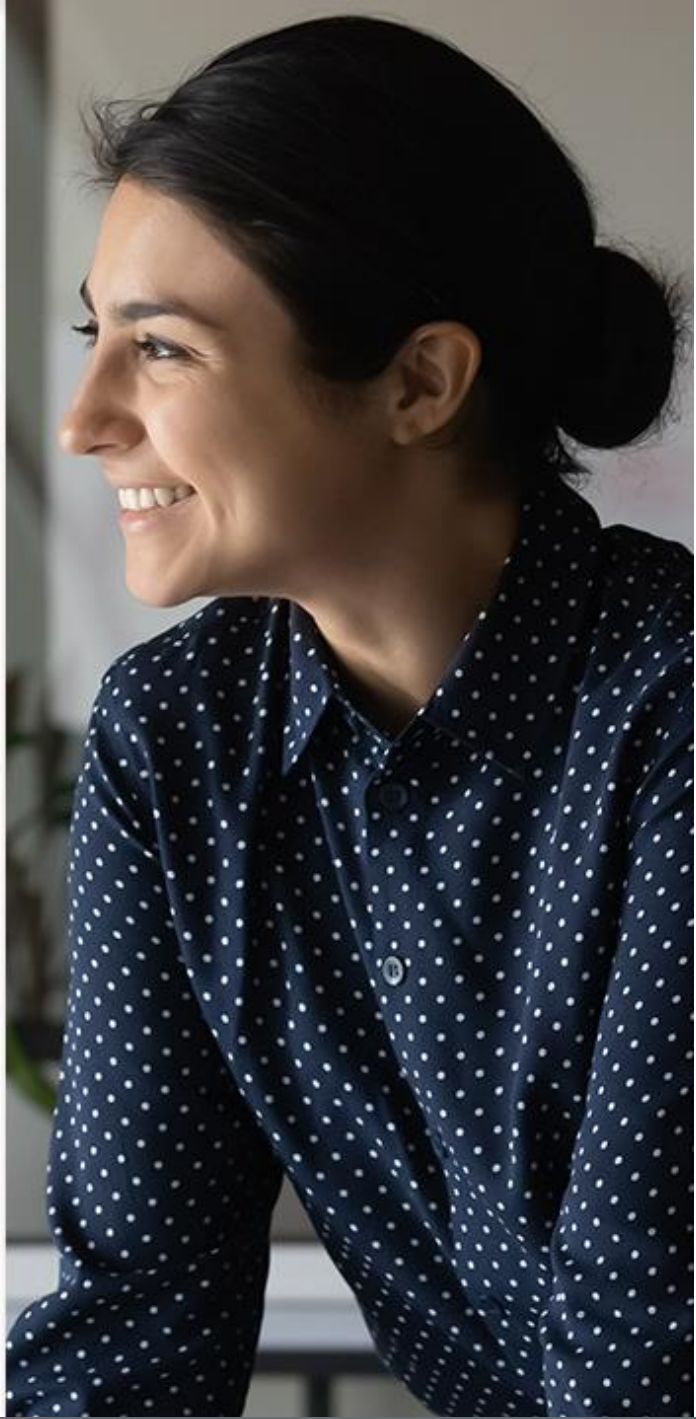
Consolidated Appropriations Act, 2021

- Temporary Special Rules for Health and Dependent Care FSAs
  - Carryover 2020 to 2021 and 2021 to 2022
  - Extension of Grace Periods – for 2020 and 2021 – 12 months after end of plan year
  - Post termination reimbursement from Health FSA – for 2020 and 2021 – to end of plan year participation ceased
  - Mid-year election changes- employee can change health or DCA arrangement without QE anytime in 2021
- Preventing Surprise Medical bills – Beginning in 2022
- Transparency for Health Plans – Beginning in 2022
- Parity in Mental Health/Substance Abuse Disorder Benefits
  - Beginning Feb 10, 2021 – NQTLs (Nonquantitative treatment limitations)
- Student Loans – Employer payments after 3-27-2020 and before 1-1-2021 – Payments of up to $5,000
  - Exclusion extended to 1-1-2026



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DOL Guidance

COVID health coverage and testing requirements

- Must cover diagnostic testing of asymptomatic individuals
- Prohibited from using medical screening criteria to deny or impost cost sharing
- Not required to cover testing for public health surveillance or employment purposes

COBRA, ERISA relief (Outbreak Period)

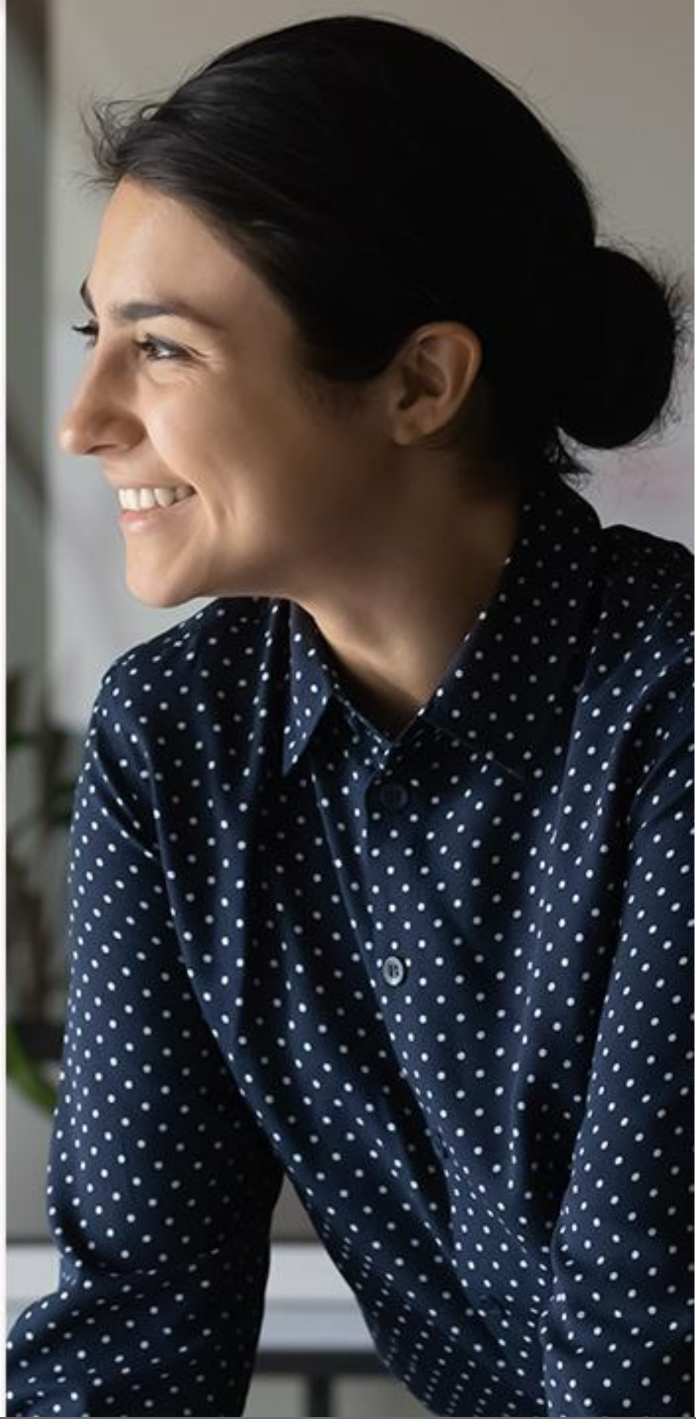
A qualified beneficiary can elect COBRA the earlier of:

1 year from date they were first eligible for relief

- 60 days after the announced end of the COVID-19 National Emergency
- Notifications to each person to remind about eligibility
- Covers HIPAA special enrollment – Claims, appeals, external reviews

FFCRA
Family First Coronavirus Relief Act

- Ended 12-31-2020
- First, a voluntary extension by employer through 3-31-2021
- Under ARPA, a voluntary extension by employer through 9-30-2021
  - Less than 500 employees
  - Increased number of weeks employee can be paid family leave from 10 to 12
  - Paid Sick leave is 2 weeks
  - Paid Sick leave is reset to zero on 4-1-2021
  - Take credit on taxes (Form 941)



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American Rescue Plan Act of 2021

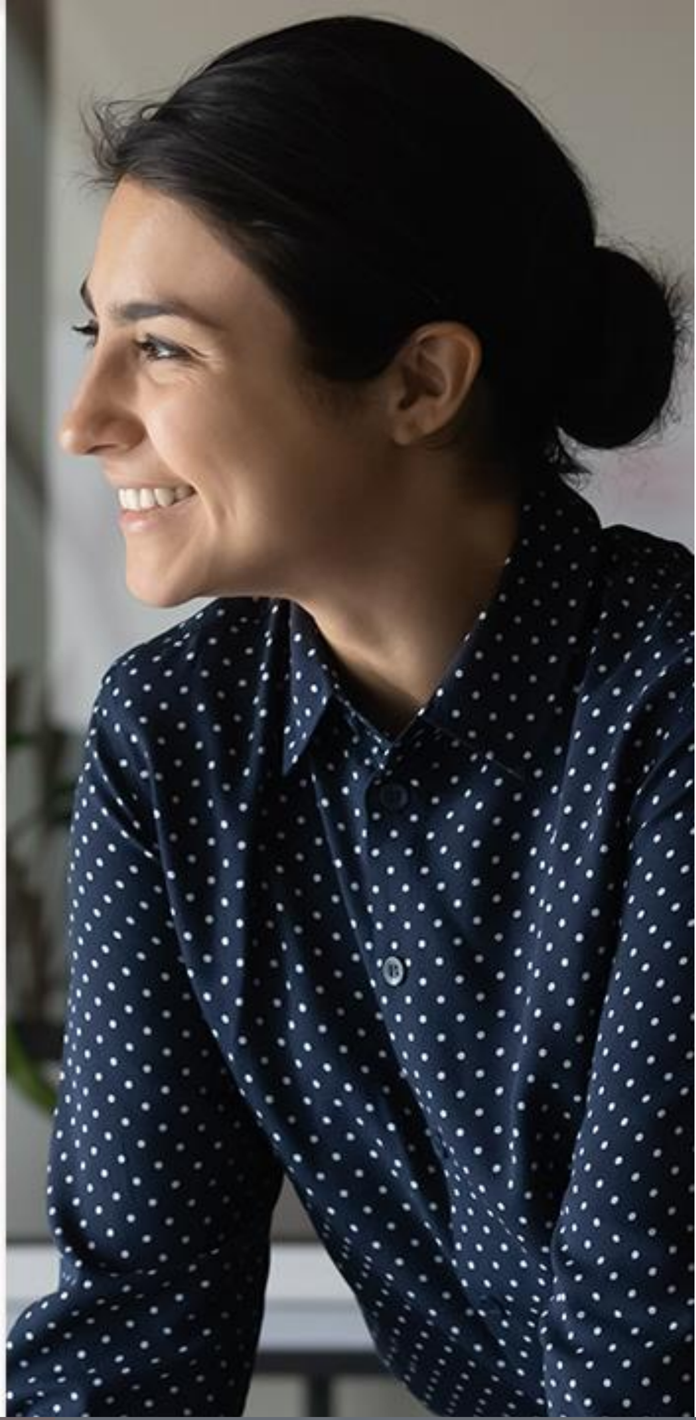
- Signed by President Biden on March 11, 2021
- 1.9 Trillion dollar, one of the largest spending bills in US history
- Unemployment benefits extended until September 6, 2021 – 50 to 79 weeks – Additional $300
- Stimulus checks
- Dependent Care Assistance Program (DCAP) – limit increased from $5,000 to $10,500 from 12-20-2020 until 1-1-2021
- Funding for various state and local entities, education funding, help for restaurants & venues
- Premium Tax Credit
- Child Tax Credit
- Employee Retention Credit extended from 7-1-2021 to 12-31-2021
- Enhanced APTC – Advanced Premium Tax Credits for individual coverage

ARPA

COBRA Subsidy	
Qualified beneficiaries – Added Assistance Eligible Individuals	Must be within their COBRA period – back to November 1, 2019, 18 months would end April 30, 2021. Eligible for 1 month of subsidy
100% subsidy available 4-1-2021 through 9-30-2021	Applies to those becoming COBRA eligible and Second Chance eligible.
Must be an involuntary termination from job	Awaiting notice from DOL to enroll in subsidy – expect by April 10, 2021
Applies to employees and dependents eligible	Awaiting notice from DOL regarding expiration of subsidy – 45 days prior. Expect notice by April 25th.
Paid by employer for insured plan Paid by plan for Self-funded & Association Health Plans, MEWAs	Employer may offer a similar or lower-cost plan. (check with broker & carrier)
FICA tax credit – credits shall not exceed taxes imposed for quarter – COBRA premium assistance excludable from gross income	Applies to health, dental vision (not to QSEHRA, FSA, excepted benefit only plans)
If ELIGIBLE for Medicare or other group coverage, not eligible for subsidy. QB may be fined $250 or 110% of premium assistance	Awaiting information from states & territories of US for mini-COBRA & state continuation.

Other Concerns

- Employees in other states
- Employees moving to other states
- COVID paid sick leave for states (NY, CA) & cities (Pittsburgh)



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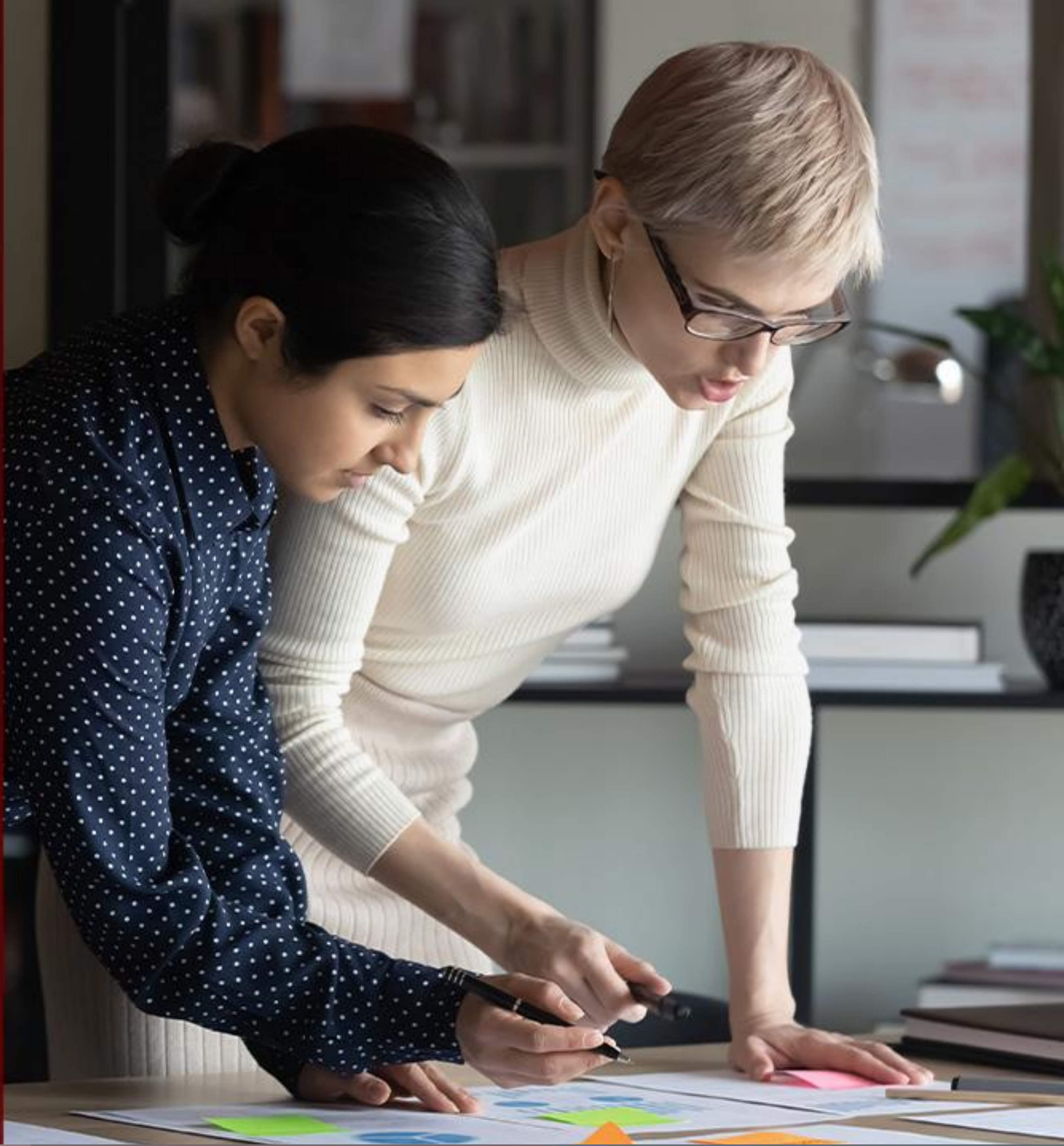
Questions?

Should You Have Any Additional Questions, Please Contact Compliance.



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