



Benefit Bullets

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January 20, 2014

Health Care Reform

Transitional Reinsurance Fee to be Paid in Installments

On December 2, 2013 HHS proposed a new rule that would allow insurers or third-party administrators to pay PPACA required transitional reinsurance fees in two installments – one at the beginning of the calendar year and the second at the end of that calendar year. The transitional reinsurance fee will be used to fund reinsurance programs within the individual insurance market. The fee of \$63 per plan participant in the 2014 calendar year will be shared between the state-based reinsurance programs and the U.S. Treasury Department. According to the proposal, the U.S. Treasury Department does not require their portion of the fee up front in order for the reinsurance program to operate properly. For this reason, HHS is proposing that for the 2014 calendar year \$52.50 per participant will be payable come January 2015 while the remaining \$10.50 be payable in December 2015. For the 2015 calendar year, the fee will decrease to \$44 per participant with a similar split of \$33 per participant due in January 2016 followed by \$11 per participant being owed in December 2016. The proposal suggests this installment plan will lessen the financial burden of the transitional reinsurance fee.

Hardship Exemptions Offered To Those With Canceled Health Plans

As 2014 brings new options for some individuals to obtain health insurance, at least four million individuals have had their policy canceled as a result of the Affordable Care Act. These people are finding that plans available via state and federally-facilitated exchanges are much more expensive than the plan they had canceled. According to the Obama administration, nearly 500,000 individuals whose policy has been canceled for 2014 have yet to find an acceptable replacement. The Obama administration announced in December that individuals with canceled policies in 2014 will be exempt from the individual mandate and have the ability to enroll in catastrophic coverage otherwise limited to those under the age of 30. For those looking to take advantage of this “hardship exemption”, they must submit a form and proof of their plan’s cancellation. “This is a common sense clarification of the law. For the limited number of consumers whose plans have been cancelled and are seeking coverage, this is one more option,” said HHS spokeswoman Joanne Peters.



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Federally-Facilitated SHOP Delay

Small businesses looking to purchase group health insurance through the online market place known as Small Business Health Option Program (SHOP) must now wait another year before doing so in states with federally-facilitated exchanges. This announcement comes just months after the Obama administration delayed an employer's ability to purchase multiple plans through SHOP. The SHOP online exchange was schedule to launch October 1, 2013, similar to the individual exchange, but was quickly delayed as a result of major technical problems affecting the individual exchange. In the 36 states which have federally-facilitated SHOP programs, small employers will need to purchase coverage directly through insurers, agents, or brokers via paper or phone applications. Small business tax credits will still be available in 2014 for qualifying businesses and HHS announced that small businesses no longer need to get certified for tax credits prior to enrollment. HHS will now allow businesses to file the application any time prior to their tax filing.

Compliance Corner

Affordable Care Act IRS e-File Application

44 presentation slides are newly available online, dated December 9, 2013. Excerpt: "All Responsible Official(s) and Delegated User(s) within your corporation who will be responsible for e-filing your ACA related and/or creating or maintaining your corporate IRS e-file Application will need to individually register with e-Services. Registration is a one-time, universal process that authenticates you and allows you to do business electronically with IRS. Once you have successfully registered and confirmed you are ready to begin the e-file application process for your corporation."

<http://www.irs.gov/pub/irs-utl/IRS%20e-file...2012-9-13.pdf>

Content: Internal Revenue Services



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Product Spotlight

A 2014 New Year's Resolution: Policy Review

Happy New Year! Now that the holidays are over, January is the perfect time to conduct an insurance policy review. Our lives are constantly changing. Benefits should reflect our needs as we move through each stage of life. Policies that were written years ago may not provide enough benefits for your current needs. It is very important to find that out before a claim occurs. Insurance is unique in that it isn't available when you actually need it. There will be no insurance available when the house is on fire or when the auto accident occurs. It must be purchased in advance of an occurrence.

In many cases, the only time we review our policies is at the time we purchase the coverage. There have been cases where life insurance benefits have been paid out to ex-spouses and to former business partners because the beneficiary designations were not updated. During the month of January, gather all of your insurance documents- life insurance, long term care insurance, auto and home, to name a few. Conduct a review to ensure:

- the insurance coverage is still in place and has not lapsed
- the benefits are sufficient to meet your current needs
- beneficiary designations are updated
- the benefits offered by your employer meet your needs (if not, consider supplementing with a personal policy)



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DiscoverHealth ®

Choosing a Personal Trainer: What You Need to Know

If you are amongst the millions aboard the New Year's Resolution train and are hoping to drop pounds and gain muscle in 2014, you are likely weighing your options for obtaining this goal. If you need a little help in the gym and are seeking out a personal trainer, it is important to be aware of what to look for when making this investment in your health. While committing to a personal trainer may seem to be a rather substantial financial investment, the return in regards to health and better quality of life can far surpass the money spent.

Being employed with the title of Personal Trainer does not necessarily mean having a substantial and legitimate background. There are a plethora of programs out there, over seventy, which allow the obtainment of a personal training certification. However, the credibility of these certifications varies greatly depending on the organization from which they are issued. Weekend certification programs do exist and are likely not the trainers with which you should seek a partnership. First and foremost, when inquiring about an individual's background, look for certifications from academically reputable organizations such as:

- o NASM - National Academy of Sports Medicine
- o ISSA - International Sports Sciences Association
- o ACE - American Council on Exercise

While there are several more reputable organizations not listed, if you are unsure about the credibility of one, do some research. The NCCA, The National Commission for Certifying Agencies, grants accreditation to only particular personal training organizations under the conditions that the organization meets all twenty-one of their standards for procedures and proprieties. Choosing a trainer with a certification that falls under NCCA is the safest, surest way to go.

A sufficient and relatable educational background may also be considered when weighing your options. Degrees in fields such as Exercise Science, Kinesiology and Physiology are all pluses when looking for a personal trainer. If you have specific needs related to issues such as pre-existing injuries, sport-specific training or age-related restrictions, seek out a trainer who specializes in your particular area of need(s).



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If seeking out a trainer who is not affiliated with a fitness facility, be it a widespread franchise or local gym be sure to inquire about professional liability insurance. Also, be sure to ask about the cancellation policy and billing details of their training contracts. Always be sure to get everything in writing before making a financial commitment.

Be sure to spend some time talking with a potential future trainer about your goals and to see how you get along. If you're a morning person, be sure their schedule can mesh with yours. If working with a trainer of the opposite sex, be sure you will be comfortable with them and the unavoidable invasion of personal space during a training session. If you're looking for a more cutthroat, hardcore training style versus a motivational, encouraging environment, choose a trainer accordingly.

Whether the idea of hiring a personal trainer is an immediate need or on a future to-do list, having the right information and education can make all the difference in finding the right person to help you reach your goals.

Content: acefitness.org

Question of the Month:

Question: Can before tax benefit elections be changed after the plan year has begun?

Answer: Section 125 (which allows before tax benefit elections) requires elections be made before the beginning of the plan year and that those elections are irrevocable for the plan year, unless a change in election event occurs. The IRS provides a list of acceptable change in election events and employers can choose which of these events they want to utilize in their section 125 plans. Here is the link to the IRS regulations that provide the list of permitted election changes <http://www.gpo.gov/fdsys/pkg/CFR-2010-title26-vol2/pdf/CFR-2010-title26-vol2-sec1-125-4.pdf>

While the IRS regulations do not address election changes for mistakes, IRS officials have informally commented that an employee's election may be undone when there is clear and convincing evidence of a mistake. If plans intend to address mistakes using the "clear and convincing" evidence, a policy should be in place to determine how mistakes will be evaluated and corrected if appropriate.

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