



Benefit Bullets

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September 16, 2013

Health Care Reform

Health Insurance Exchanges Set To Open With Low Expectations

With less than a month to go before health insurance exchanges are set to begin enrolling individuals, the Obama administration announced they have completed the data hub used for verifying applicant's information when shopping for health plans via the exchange. The data hub will connect several federal agencies with state databases in order to route information back to the exchanges via secure servers. "After over two years of work, the hub is built and ready for operation, and we have completed security testing and certification to operate" said Todd Park, chief technology officer of the United States. However, many expect a "rocky" initial open enrollment period come October 1st despite the administration's efforts to reduce the application length and establish navigators to assist individuals enroll. According to a recent survey conducted by HealthPocket, a technology company that compares health plans, 54% of respondents believe that shopping for health insurance within an exchange will be a complicated process. Additionally, 29% of the respondents did not know what an exchange was.

Individual Mandate Final Regulations Released

On Tuesday August 27th, the Obama administration released final regulations addressing what coverage satisfies the individual mandate and to whom the mandate applies. The individual mandate requires all individuals to maintain minimum essential coverage or pay a penalty beginning January 1, 2014. The full regulations can be found [here](#), however several highlights of the regulations are as follows:

- Individual shared responsibility (penalties) for a taxpayers dependents is the responsibility of the tax payer even if the tax payer does not claim the individual as a dependent for the taxable year.
- Exemptions from the penalty are available for those who
 - Do not file a tax return
 - Have family income below the federal poverty line
 - Are member of a religious sect
 - Are exempt non-citizens
 - Are incarcerated
 - Are members of Indian Tribes
 - Demonstrate other hardships



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Individual Mandate Final Regulation Highlights Continued....

- An individual is exempt from the individual mandate penalty if the cost of coverage is greater than 8 percent of their household income. Household incomes of 250% of federal poverty level or greater are required to pay greater than 8% of their household income even with a subsidy.
- Having minimum essential coverage for one day of the month is considered having minimum essential coverage for the whole month. Short gaps in coverage, less than three months, are not subject to penalties.
- Any small or large group fully insured employer-sponsored plan is considered minimum essential coverage. Self-funded plans that cover only a limited range of benefits are considered minimum essential coverage as well.

Compliance Corner

IRS Releases Ruling Recognizing All Same-Sex Marriages for Pretax Benefits

On August 29, 2013, the U.S. Department of the Treasury and the IRS rules that same-sex couples who are legally married will be treated as married for federal tax purposes, including the pretax treatment of a spouse's health insurance coverage in all 50 states and the District of Columbia. The ruling (revenue ruling 2013-17) applies regardless of whether the couple lives in a state that recognizes same-sex marriage or a state that does not recognize same-sex marriage. The ruling is effective beginning September 16, 2013.

The ruling applies to all federal tax provisions in which marriage is a factor, including filing status, claiming personal and dependency exemptions, employee benefits, and claiming the earned income tax credit or child tax credit.

The ruling covers same-sex marriages entered into in a U.S. jurisdiction where such marriages are recognized as legally valid, as well as legal marriages performed in a foreign country. The ruling does not apply to registered domestic partnerships, civil unions or similar formal relationships recognized under state law.

The IRS has posted frequently asked questions that can be found by visiting the link below.

<http://www.irs.gov/uac/Answers-to-Frequently-Asked-Questions-for-Same-Sex-Married-Couples>



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Product Spotlight

September Is Life Insurance Awareness Month

Real Life Story: Boomer Esiason

A record-setting NFL quarterback, and now a seasoned radio and TV broadcaster – that’s how most people know Boomer Esiason. But before his fame on and off the gridiron came a tough road for Boomer and his family.

When he was just 7, Boomer’s mother, Irene, who was 37, died of cancer. That left Boomer, his father and his two teenage sisters to create a life for themselves. A three-hour daily commute to work in New York City left Boomer’s father, Norman, with little free time, but he always made sure he supported Boomer, both on and off the field. The family was also forced to rely on friends and relatives, as Boomer’s mother died without life insurance and there was little money left each month to pay for any extra help. “I was handed a life lesson early, growing up with one parent,” says Boomer, “it wasn’t the easiest life – my dad sacrificed a lot.”

Through determination, hard work and the support of his father, Boomer was able to leverage his talent at football to gain a full scholarship to the University of Maryland. He then went on to become one of the most successful quarterbacks in NFL history during his 14-year career, leaving the game in 1997 in the top 10 of many quarterback career statistical categories.

From the beginning, Boomer has protected his family – wife, Cheryl, and their children, Sydney and Gunner – with life insurance. And as his career as a radio and TV broadcaster has grown, his life insurance coverage has grown as well. It has become especially important to Boomer, given that Gunnar is fighting cystic fibrosis and will need financial support throughout his life. “Life happens at the most unexpected of times, and life insurance is about protecting the future and the people you love,” he says. “Remember, if something happens and you haven’t done the planning, the people you leave behind will feel the brunt of your mistakes.”

Boomer Esiason is the national spokesperson for Life Insurance Awareness Month 2013, and his services were retained by the Life and Health Insurance Foundation for Education.



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DiscoverHealth ®

Cholesterol Screening: Why It's Important To Have A Cholesterol Test

What is cholesterol and how does it affect me?

Cholesterol is a fat-like substance that your body needs to function. Your body makes some cholesterol because it is needed to form cell membranes, some hormones and bile acids (which digest fat), for example. But people consume extra cholesterol through foods, especially animal foods like meats and dairy products. Trans fats also raise cholesterol. Trans fats are found in processed foods.

When there is too much cholesterol in your blood, it can build up on the inside walls of your arteries. Over time, the cholesterol buildup, called plaque, can narrow the space for blood to flow through. This can happen in the arteries everywhere in the body. It is most dangerous, though, in the arteries that feed the heart, brain and other vital organs.

When plaque buildup narrows the coronary arteries, which supply oxygen-rich blood to the heart, it can cause chest pain, shortness of breath and other symptoms of coronary heart disease. If a clot forms on the plaque, it can block the blood flow to the heart muscle, causing a heart attack. If a clot blocks the flow of blood to the brain, it can cause a stroke.

The higher your cholesterol levels, the greater your risk of heart disease and stroke. Given that heart disease is a top killer of men and women in the U.S., this is not a risk that you should ignore. But, eating a heart-healthy diet, being physically active and losing weight are things everyone can do to help lower their cholesterol levels and their risks.

What's being measured when your cholesterol is checked? Why is some cholesterol referred to as "good," while other as "bad"?

Types of cholesterol

Your doctor may order tests to check your blood levels of cholesterol. Because cholesterol can't dissolve in the blood (it's not water-soluble), it doesn't circulate by itself. Instead, cholesterol travels through the bloodstream linked to "carriers" called lipoproteins.



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There are three different types of lipoproteins. The two that are most important to remember in terms of your possible risk of heart disease are high-density (HDL) and low-density lipoproteins (LDL).

- **LDL.** Cholesterol that is carried on low-density lipoproteins is called LDL cholesterol (the "bad" cholesterol). Higher levels of LDL cholesterol are linked to an *increased* risk for heart disease.
- **HDL.** Cholesterol molecules that are linked to high-density lipoproteins are called HDL cholesterol (the "good" cholesterol). If you have higher levels of HDL cholesterol, you're at *lower* risk for heart disease.

"Good" and "bad" cholesterol

Why is one type of cholesterol labeled "good," putting people at lower risk for heart disease, and another labeled "bad?" Because experts believe that LDL is the main carrier of cholesterol to body tissues, and HDL carries cholesterol away from body tissues.

When you have a lot of LDL cholesterol, there is more of a danger that too much may be deposited in artery walls. This may then damage the walls. The arteries may develop a cholesterol and fatty buildup called a plaque on the inside. This is called atherosclerosis, or "hardening of the arteries."

When you have higher levels of HDL in your blood, it means that more high-density lipoproteins carry cholesterol away from arterial walls and to the liver. The liver then eliminates the cholesterol from the body by excreting it in the bile. Clearly, the more this happens, the less likely that cholesterol will accumulate in arterial walls and worsen the progression of atherosclerosis.

Why test?

Cholesterol buildup as plaque can prevent adequate amounts of blood from flowing to the heart muscle. It is the most common cause of coronary heart disease, and happens so slowly that you are not even aware of it. This plaque can rupture, forming a blood clot that leads to a heart attack or stroke. The higher your LDL cholesterol, the greater your chance of heart attack or stroke. This is why cholesterol screening is so important. Cholesterol can build up for many years before any symptoms develop. So, you can feel healthy and not realize you have high cholesterol.



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Question of the Month

Question: Can an employer be fined for failing to provide employees with Marketplace (Exchange) Model Notice?

Answer: On September 12, 2013, the DOL clarified in an FAQ, that there are no fines. However, they encouraged employers to comply with the notice requirement. The Model Notice is required to be distributed to all employees by October 1, 2013 and after that date the notice is to be provided to all new hires within 14 days of their date of hire. It is a best practice for employers to provide the model notice completed to the best of their ability to all employees.

If you have any questions about the information contained in this newsletter please contact your account team.

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