

Benefits

# BUZZ

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Insurance Office of America

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## Latest ACA Repeal Bill Withdrawn

The Graham-Cassidy bill, the most recent Republican effort to repeal and replace the Affordable Care Act (ACA), was withdrawn from a vote on Sept. 26 due to lack of support in the Senate, effectively dooming the legislation.

Earlier that week, key Republican senators voiced opposition to the bill, which forced Senate leadership to shelf the vote until further notice. Given the vocal opposition from influential health organizations and lawmakers on both sides of the aisle, the proposed bill would need a variety of amendments before plausibly moving forward.

This means the ACA will almost certainly remain unopposed until 2018. Republicans are using the remainder of the year to focus on a tax overhaul and do not have the bandwidth to continue the repeal and replace effort that has

consumed most of this year.

With this latest repeal failure, more and more lawmakers are pushing for bipartisan negotiations to fix the flaws in the current health system. Democrats hope this most recent repeal failure will increase their bargaining position, since they were largely ignored during all the health bill drafting sessions this year. If Republicans cannot secure enough of their members' votes, they will be forced to negotiate with their counterparts.

### What This Means for Employers

The IRS confirmed recently that employers should continue to comply with any ACA mandates, including the individual mandate and the employer shared responsibility rules. The IRS clarified this after the uncertainty created by President Donald Trump's initial [executive order](#) directing federal agencies to provide relief from the burdens of the ACA.

Please contact Insurance Office of America if you have any questions regarding your obligations under the ACA, including reporting requirements and deadlines.

## DID YOU KNOW?

The average premium for employer-sponsored health insurance was \$6,690 for single coverage and \$18,764 for family coverage in 2017.

Those figures are up 4 percent and 3 percent, respectively, from last year.

Contact your Insurance Office of America representative to discuss strategies for reducing premium costs.

## New Rules for Disability Benefit Claims May Be Delayed

On Dec. 16, 2016, the Department of Labor (DOL) released a [final rule](#) to strengthen the claims and appeals requirements for plans that provide disability benefits and are subject to the Employee Retirement Income Security Act (ERISA). The final rule is currently scheduled to apply to claims that are filed on or after Jan. 1, 2018. However, on Oct. 10, 2017, **the DOL [proposed](#) to delay the final rule for 90 days—until April 1, 2018.**

The DOL will review the final rule to determine whether it is unnecessary, ineffective or imposes costs that exceed its benefits, consistent with President Donald Trump's [executive order](#) on reducing regulatory burdens.

Contact Insurance Office of America to learn more about how this may affect your organization.





# ACA COMPLIANCE BULLETIN

## IRS REVERSES POLICY ON CERTIFYING INDIVIDUAL MANDATE COMPLIANCE

### OVERVIEW

On Oct. 13, 2017, the Internal Revenue Service (IRS) [reversed](#) a recent policy change in how it monitors compliance with the Affordable Care Act's (ACA) individual mandate. For the upcoming 2018 filing season (filing 2017 tax returns):

- ✓ The IRS will not accept electronically filed tax returns where the taxpayer does not certify whether the individual had health insurance for the year; and
- ✓ Paper returns that do not certify compliance with the individual mandate may be suspended pending receipt of additional information, and any refunds due may be delayed.

### ACTION STEPS

To avoid refund and processing delays when filing 2017 tax returns in 2018, taxpayers should indicate whether they (and everyone on their return) had health coverage, qualified for an exemption or are paying an individual mandate penalty. This process reflects the ACA's requirements and the IRS's obligation to administer the law.

### HIGHLIGHTS

- For the 2017 tax year, the IRS will not accept electronic tax returns that do not certify compliance with the individual mandate.
- Paper returns that do not certify compliance may be suspended and any refunds may be delayed.
- This will be the first time the IRS will not accept tax returns that omit this information.

### IMPORTANT DATES

#### October 13, 2017

The IRS reversed its policy on accepting returns that do not include health coverage information.

#### April 15, 2018

Individual tax returns for the 2017 tax year are due.

**Provided By:**

Insurance Office of America



# ACA COMPLIANCE BULLETIN

## The Individual Mandate

The ACA's individual mandate, which took effect in 2014, requires most individuals to obtain acceptable health insurance coverage for themselves and their family members or pay a penalty.

The individual mandate is enforced each year on individual federal tax returns. Starting in 2015, individuals filing a tax return for the previous tax year will indicate, by checking a box on their individual tax returns, which members of their family (including themselves) had health insurance coverage for the year (or qualified for an exemption from the individual mandate). Based on this information, the IRS will then assess a penalty for each nonexempt family member without coverage.

## Previous Policy on "Silent Returns"

Effective Feb. 6, 2017, the IRS announced that it would not automatically reject individual tax returns that did not provide this health insurance coverage information for 2016 (known as "silent returns"). Instead, silent returns would still be accepted and processed by the IRS.

This enforcement policy was intended to reduce the burden on taxpayers, including those who are expecting a tax refund. The IRS noted that taxpayers filing silent returns could still receive follow-up questions and correspondence from the IRS at a future date.

## Change in Enforcement Policy

The IRS recently reversed its previous enforcement policy on silent returns. As a result, the IRS will not accept any silent returns for the 2017 tax year that are filed electronically. In addition, any silent returns that are filed on paper may be suspended pending receipt of additional information, and any refunds due may be delayed.

Therefore, taxpayers should indicate on their 2017 tax returns whether they (and everyone in their family):

- ✓ Had health coverage for the year;
- ✓ Qualified for an exemption from the individual mandate; or
- ✓ Will pay an individual mandate penalty.

**The 2018 filing season will be the first time the IRS will not accept tax returns that omit this health coverage information.** The IRS reiterated that taxpayers remain obligated to follow the law and pay what they may owe at the point of filing. According to the IRS, identifying omissions and requiring taxpayers to provide health coverage information at the point of filing makes it easier for the taxpayer to successfully file a tax return and minimizes related refund delays.

*For the 2017 tax year, the IRS will not accept electronic tax returns, and may suspend paper returns, that do not certify compliance with the ACA's individual mandate.*