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Benefits Buzz

January 2011

Hello,

The "Benefits Buzz" for January 2011 is here! The benefits buzz brings to you monthly news on various legislative updates and seasonal topics.

In this issue:

- Did you know? - Part of the Health Care Reform deemed unconstitutional
- HCR 2010 - 2011 Compliance
- DOL Announces New Regulatory Agenda

To read the full "Benefits Buzz" Click here: [Benefits Buzz - January 2011](#)

About Suhr Risk Services

Suhr Risk Services has been a presence in the Bay Area for over a century and has expertise in Property & Casualty, Workers' Compensation, Employee Benefits, Life & Estate and Personal Insurance. The primary niches for Suhr Risk Services include: Non-Profits, Specialty Construction, Grocers/Food Processing, Wholesale Suppliers, Equipment Rental Firms and Workers' Compensation.

We are trusted advisors to both local and national clients, as well as numerous trade associations, and advocates for policyholder rights before California insurance regulators. Suhr Risk Services has been featured in the Insurance Journal's Top Property and Casualty Agencies in the United States and has twice been voted one of the Bay Area's best places to work. Suhr Risk Services has been recently named a Best Practices agency by the Independent Insurance Agents and Brokers of America.

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Benefits Buzz

Benefits and HR tips brought to you by the insurance professionals at Suhr Risk Services of California Insurance Brokers.

DID YOU KNOW?

On December 12, 2010, a federal judge in Virginia ruled that part of the health care reform law is unconstitutional – the individual mandate to obtain health insurance, which is set to go into effect on January 1, 2014.

The Justice Department is expected to appeal the ruling, and it is likely that this case will eventually be heard by the Supreme Court.



SUHR RISK SERVICES
of California
INSURANCE BROKERS

HCR: 2010-2011 Compliance

Several provisions of the health care reform law affect employer-sponsored health plans in 2010 and 2011. The following items are effective for plan years, starting on or after September 23, 2010:

- Extension of dependent coverage for adult children up to age 26
- Elimination of lifetime and annual limits
- Elimination of pre-existing condition exclusions for enrollees under age 19
- Limits on rescissions of coverage (except in the case of fraud or intentional misrepresentation)
- Coverage of preventive health services (except for grandfathered health plans)
- Several patient protections go into effect for non-grandfathered health plans
- Nondiscrimination rules for non-grandfathered, fully-insured plans
- Required new appeals process

implemented for non-grandfathered plans

Other provisions that affect businesses in 2010 or 2011 include:

- Qualified small employers can receive a credit for purchasing employee health insurance starting with the 2010 tax year.
- Employers that provide coverage to early retirees from 2010 to January 1, 2014 may be eligible for some reimbursement.
- Eligible small employers can adopt a Simple Cafeteria Plan starting in 2011.
- Beginning in 2011, over-the-counter drugs may not be reimbursed through an FSA, HRA or HSA without a prescription.
- The penalty tax on non-medical HSA withdrawals increases from 10 to 20 percent in 2011.
- New W-2 reporting requirements are effective, but optional for the 2011 tax year (mandatory for 2012 tax year).

DOL Announces New Regulatory Agenda

The Department of Labor has published a new regulatory agenda called “Plan/Prevent/Protect.” The objective is a shift in thinking for companies regarding DOL compliance, with employers understanding that the burden is on them to obey the law, not on the DOL to catch violations.

The DOL wants employers to develop a “culture of compliance” in order to effectively protect workers’ rights and safety. Employers will be expected to develop compliance programs to this end; further regulations will be forthcoming.

Though specifics will vary by law, industry and individual company, this new agenda will require regulated entities to take these three steps to ensure compliance:

1. Create a plan to find and remedy violations of the law and other risks to workers.
2. Implement the plan in a manner that prevents violations of the law.
3. Ensure that the plan protects workers.