

A Look Forward

A number of significant changes to group health plans have been made since the Affordable Care Act (ACA) was enacted in 2010. Many of these changes became effective in 2014 and 2015 but certain changes to a few ACA requirements take effect in 2019.

CHANGES FOR 2019

1 Cost-sharing limits

Non-grandfathered plans are subject to limitations on cost sharing for essential health benefits (EHB). The annual limits on cost sharing for EHB are \$7,900 for self-only coverage and \$15,800 for family coverage, effective January 1, 2019.

Coverage Affordability Percentages

If an employee's required contribution does not exceed 9.5 percent of their household income for the taxable year (adjusted each year), then the coverage is considered affordable. The adjusted percentage for 2019 is 9.86 percent.

3 Maximum Penalties for ACA Reporting

Entities that fail to comply with the reporting requirements are subject to general reporting penalties for failure to file correct information returns and failure to furnish correct payee statements. Penalty amounts for failure to comply with the reporting requirements in 2019 are listed below:

Penalty Type	Per Violation	Annual Maximum	Annual Maximum for Employers with up to \$5 million in Gross Receipts
General	\$270	\$3,275,500	\$1,091,500
Corrected within 30 days	\$50	\$545,500	\$191,000
Corrected after 30 days but before August 1	\$100	\$1,637,500	\$545,500
Intentional Disregard	\$540*	None	N/A

*Intentional disregard penalties are equal to the greater of either the listed penalty amount or 10 percent of the aggregate amount of the items required to be reported correctly.

EXPECTED CHANGES

1 Health FSA Salary Contribution Limits

Effective January 1, 2018, health FSA salary contributions were limited to \$2,650. The IRS usually announces limit adjustments at the end of each year. This limit does not apply to employer contributions or limit contributions under other employer-provided coverage.

2 Employer Shared Responsibility Calculation Amounts

The dollar amount for calculating Employer Shared Responsibility penalties is adjusted for each calendar year.

SOURCES: www.dol.gov, www.HHS.gov, <https://www.federalregister.gov/documents/2018/04/17/2018-07355/patient-protection-and-affordable-care-act-hhs-notice-of-benefit-and-payment-parameters-for-2019>, <https://www.irs.gov/e-file-providers/air/affordable-care-act-information-return-air-program>



Contact one of our experts for assistance or if you have any questions about compliance in the New Year.

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