

# Monthly Benefit News & Developments

## STATE-BY-STATE HEALTH COVERAGE

The Census Bureau released [State-by-State Health Insurance Coverage 2018](#), showing that across states, levels and types of health insurance coverage change over time because of economic conditions, the demographic composition of the population, and state and federal policies. The report states that in 2018, 91.1% of people in the U.S. had health insurance to help cover their medical expenses but coverage varied by state. For example, coverage rates ranged from 82.3% of people in Texas to 97.2% of people in Massachusetts. Most people (67.5%) had private health insurance coverage, such as coverage through an employer, coverage purchased directly (including through a state or federal marketplace), and/or coverage through TRICARE (for uniformed service members, military retirees, and their family members), while 35.6% had public coverage (e.g., Medicare or Medicaid).

## UPCOMING KEY DATES

**1/1/20** – Application of tri-agency final rule permitting use of health reimbursement arrangements for coverage purchased on insurance exchanges, Medicare coverage, and limited excepted benefits.

**1/1/20** – Expiration of 2019 moratorium, requiring group health insurers to pay the ACA health insurance tax (HIT) for the 2020 plan year.

**1/1/20** – “Responsible Reporting Entities” of group health plans to begin reporting expanded primary prescription drug coverage for Medicare-eligible individuals.

**1/1/20** – Permitted use of truncated Social Security numbers on IRS Forms W-2 for 2020, filed in 2021.

**3/2/20** – Extended deadline (instead of 1/31/20) for employers, insurers, and other providers of minimum essential coverage to furnish IRS Forms 1095-B or 1095-C for 2019 to participants.

**3/31/20** – Last day of the remedial amendment period for 403(b) plans.

**4/30/20** – Deadline to apply for an IRS individual determination letter under the second six-year remedial amendment cycle for defined benefit preapproved plans.

## Legislative Activity on the Benefits Front

Congress again punted on appropriations measures to provide funding for federal agencies in the current fiscal year that began Oct. 1, agreeing instead to another short-term continuing resolution to keep the government open from Nov. 22 through Dec. 20. Members, however, did settle on “top line” budget numbers that now allow for negotiations on the 12 FY2020 funding bills. Whether discrete appropriations bills or “minibus” legislation combining funding for a few departments can advance remains to be seen; another continuing resolution also remains possible.

The FY2020 appropriations bills might be the last measures to see House and Senate action before the end of the year, making those bills potential vehicles for other unrelated but important provisions to individual members of Congress. There is talk about adding tax “extenders” or “technical corrections,” for example, as well as fixes to address the multiemployer pension plan funding crisis and “surprise” medical bills. In addition, efforts to advance a bill to allow for reducing the prices of prescription drugs remain ongoing, as are attempts before year-end to stop the health insurance tax from going into effect in 2020 and a repeal of the “Cadillac” tax on “high cost” employer-provided healthcare coverage that is slated to apply beginning in 2022.

Meanwhile, the House voted 281-135 to approve the “Improving Corporate Governance through Diversity Act” (H.R.5084), which would make publicly traded companies report on their leadership’s race, ethnicity, gender, and veteran status. The bill aims to make directors and top executives more diverse in companies that are subject to filings with the Securities and Exchange Commission. The bill faces opposition by many in the Republican-led Senate.

And in the Senate, members by a vote of 43-52 failed to approve S.J.Res.52, which would have overturned the Administration’s October 2018 guidance on the Affordable Care Act’s (ACA) state innovation waivers. The ACA waivers (under section 1332) allows states to modify the law’s requirements (e.g., on essential health benefits and cost sharing) to create alternatives if the programs satisfy certain conditions. The White House’s guidance allows states to subsidize plans that do not comply with some of the ACA’s consumer protection and other rules.

## Regulatory Roundup

### JOINTLY FROM TREASURY/LABOR/HEALTH AND HUMAN SERVICES:

- A [proposed rule](#) that would require group health plans and insurers to make extensive price and cost-sharing disclosures upon request to participants, beneficiaries, and enrollees, including estimates of an individual’s cost-sharing liability for covered items or services furnished by a particular provider.

### JOINTLY FROM TREASURY/LABOR/PBGC:

- [2019 Form 5500](#), including schedules and instructions.

### FROM THE DEPARTMENT OF TREASURY/IRS:

- A [final rule](#) requiring electronic filing of Form 8963, “Report of Health Insurance Provider Information.”
- A [proposed rule](#) providing guidance on the life expectancy and distribution period tables used to calculate required minimum retirement plan distributions (see [Client Action Bulletin 19-6](#)).

## A PAIR OF PUBLICATIONS FROM THE BLS

The Bureau of Labor Statistics' (BLS) [Highlights of Women's Earnings in 2018](#) finds that in 2018, women who were full-time wage and salary workers had median usual weekly earnings that were 81% of the earnings of male full-time wage and salary workers. Women's median weekly earnings were highest for those between the ages of 35 and 54, with no difference in the earnings of 35- to 44-year-olds and 45- to 54-year-olds (both at \$876). Women ages 55 to 64 and age 65 and older had earnings that were only slightly lower (\$853 and \$811, respectively). For men, earnings were highest for 45- to 64-year-olds, with no difference in the earnings of 45- to 54-year-olds and 55- to 64-year-olds (both at \$1,137). Earnings were lowest among young women and men age 16 to 24 (\$522 and \$575, respectively) compared with other ages.

Separately, the BLS issued a Beyond the Numbers article, [A look at teachers' job requirements, employer costs, and benefits](#), that explores the educational and physical requirements for teachers at different levels in the educational services industry. The article also highlights the cost to their employers of compensation and benefits such as healthcare insurance, paid leave, and retirement plans.

## IRS ADVISORY COUNCIL ANNUAL REPORT

The IRS's Advisory Council (IRSAC) issued its [annual report for 2019](#), which summarizes the group's work during 2019 and presents its recommendations to the Commissioner and other IRS leaders. The report's recommendations are numerous, covering a broad range of topics and concerns, including: accelerating the use of E-Signatures in federal tax administration; guidance relating to the Tax Cuts and Jobs Act; improving customer experience and service delivery; and the 2020 version of Form W-4.

## SOCIAL SECURITY STATISTICS

The Social Security Administration (SSA) released [Annual Statistical Supplement to the Social Security Bulletin, 2019](#), a resource for data on programs administered by the agency. The Supplement also includes program summaries and their legislative histories. The SSA also issued [Earnings and Employment Data for Workers Covered under Social Security and Medicare, by State and County, 2017](#). The data show, by sex and age, the number of wage and salary workers and self-employed persons, the amount of their taxable earnings, and the amount they paid in Social Security and Medicare contributions.

## Regulatory Roundup – contd.

- [Revenue Ruling 2019-46](#), updating the optional standard mileage rates in computing the deductible costs of operating an automobile for business, charitable, medical, or moving expense purposes.
- [Revenue Procedure 2019-48](#), updating the per diem rates to substantiate normal and necessary business expenses paid or incurred while employees travel away from home.
- [Revenue Procedure 2019-44](#), providing the 2020 cost-of-living adjustments for health flexible spending accounts, qualified transportation fringe benefits, adoption assistance, and other annually adjusted tax items.
- [Notice 2019-60](#), providing additional temporary nondiscrimination relief – through 2020 – for closed defined benefit retirement plans.
- [Notice 2019-59](#), providing the 2020 dollar limits and thresholds for retirement plans (see [CAB 19-3](#)).
- [Publication 15-A](#), Employer's Supplemental Tax Guide, containing information on the employment tax treatment of fringe benefits.
- [Publication 5165](#), Guide for Electronically Filing Affordable Care Act (ACA) Information Returns (AIR) for Software Developers and Transmitters (Processing Year [PY] 2020), which outlines the communication procedures, transmission formats, business rules, and validation procedures.

### FROM THE DEPARTMENT OF LABOR:

- A [proposed rule](#) on computing overtime for workers with fluctuating workweeks.
- A [proposed rule](#) on trade adjustment assistance for workers.
- [FY 2019 Fact Sheet](#) on the Employee Benefits Security Administration's ERISA enforcement activities.
- A [chart](#) showing that private industry compensation costs up 2.7% from September 2018 to September 2019.

### FROM THE PENSION BENEFIT GUARANTY CORPORATION:

- [FY 2019 Annual Report](#) on the PBGC's performance, strategic goals, and results.
- [Office of Inspector General's Semiannual Report to Congress](#).
- A [notice](#) seeking Office of Management and Budget (OMB) approval of two changes to reportable events Forms 10 and 200 and instructions and to require, starting in October 2021, the submissions via the e-filing portal.
- A [notice](#) requesting OMB approval of modifications to the 2020 Form 5500 Schedule R (Retirement Plan Information) and its related instructions.
- A [notice](#) requesting OMB approval of changes to the 2020 premium payment filing and instructions to require that plans offering a lump-sum window separately report the number of participants in pay status who were offered and elected a lump sum.
- A web posting containing [ERISA sections 4044 and 4050 mortality tables for 2020 valuations](#) used to determine liabilities when a single-employer plan terminates in an involuntary or distress termination and for multiemployer plans that incur a mass withdrawal.
- A web posting of a [table](#) showing the present value of the PBGC maximum guarantee for benefits with annuity starting dates in 2020.

### FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES:

- 2020 premiums, deductibles, and coinsurance amounts for [Medicare Part A](#), [Medicare Part A inpatient hospital](#), and [Part B programs](#) and [fact sheet](#) (see [CAB 19-5](#)).

### FROM THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION:

- [Fiscal Year 2019 Agency Financial Report](#).

## Other Recent Milliman Publications You May Be Interested in:

- **[2020 Quick Reference Card](#)** This wallet-sized card lists the 2020 cost-of-living-adjusted key limits for employer-sponsored retirement plans, Social Security and Medicare levels, and health savings account limits set by federal agencies.
- **[Pension Funding Index, November 2019](#)**
- **[2020 Key Administrative Dates and Deadlines for Calendar-Year Single-Employer Defined Benefit Plans, Multiemployer Defined Benefit Plans, and Defined Contribution Retirement Plans](#)**
- **[Client Action Bulletin 19-2: 2019 Year-End Compliance Issues for Single-Employer Retirement Plans](#)**
- **[Client Action Bulletin 19-4: DoL Proposes New Voluntary Electronic Disclosure Rule for Retirement Plans](#)**
- **[Multiemployer Alerts: Proposed multiemployer legislative changes released: The Multiemployer Pension Recapitalization and Reform Plan](#)** This alert summarizes key aspects of the proposed Multiemployer Pension Recapitalization and Reform Plan; and **[PBGC releases FY 2019 annual report](#)** This alert focuses on the Pension Benefit Guaranty Corporation annual report as it pertains to the Multiemployer Program.
- **[Stochastic modeling to reflect investment risk in funding liabilities for pension plans](#)** By tweaking existing familiar concepts—the funding liabilities—we can leverage the understanding that employers already have about their pension plans to explain various risks, some of which are very pertinent to decision making.
- **[To quote Section 409A: An NDCP by any other name is still an NDCP](#)** This article highlights points to consider when conducting a Section 409A “to be or not to be” determination process.



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