

MONTHLY BENEFIT

News and Developments

Employee Benefits

Milliman Multiemployer Pension Funding Study

Milliman released the [Spring 2016 Multiemployer Pension Funding Study](#) reporting on the estimated funding status of all U.S. multiemployer plans as of Dec. 31, 2015, and shows the change in funding levels from June 30, 2015. The analysis shows continued decline in multiemployer pension funded status. Multiemployer plans experience \$26 billion increase in funded status deficit. For most multiemployer pension plans, estimated 2015 investment experience was flat or slightly negative, far below expected returns.

Upcoming Key Dates

6/15/16 (fiscal years beginning after) – Application of GASB Statement 74 by governments to calculate the present value of retiree healthcare liabilities.

6/30/16 – Extended date for first filing (electronically) to IRS by applicable large employers and group health insurers about calendar year 2015 offers of and enrollment in coverage.

8/1/16 (for plan years ending on/after 10/1/15 and on/before 10/1/16) – Fourth reporting and payment of the outcomes research (“PCORI”) fee by self-insured group health plan sponsors and insurers.

9/30/16 – Expiration of E-Verify program, unless extended by Congress.

10/14/16 – Compliance by money market funds with the SEC’s final rule requiring institutional funds’ prices to float.

11/1/16 – Delayed date for application of increased late-filing penalties for failure to file the 2015 ACA forms (1094-B and C, and 1095-B and C).

Legislative Activity on the Benefits Front

House and Senate Republicans appear at an impasse on moving a budget resolution for the fiscal year 2017 that begins Oct. 1, with strong internal disagreements over the size of the budget. Republican leaders’ push for \$1.07 trillion in defense and nondefense discretionary funding has been met by strong opposition from conservative members, who are insisting on the \$1.04 trillion level that was set before the increase enacted under the 2015 Bipartisan Budget Act.

As time runs out to pass a budget, GOP leaders are beginning to consider appropriations bills without settling the budget issue. Whether appropriators will be able to advance the 12 individual spending bills, however, also becomes less certain as the legislative calendar heads into the summer (and a seven-week recess beginning in mid-July) and the final stretch for campaigning (beginning in early October) before the November elections. Republicans will need Democratic support to counter the calls from the fiscal conservatives and will have to proceed carefully to avoid “policy riders” – amendments to bills funding the various agencies that would, for example, nullify the Department of Labor’s conflict-of-interest fiduciary rule or repeal the Affordable Care Act (ACA) – that could turn away Democrats from agreeing to those bills. Already there is speculation that Congress will have to enact a continuing resolution to keep the federal government operating in the upcoming fiscal year.

Meanwhile, the House voted 234-183 along party lines to approve H.J.Res.88, which would block the DoL’s fiduciary rule from taking effect. The resolution requires Senate approval for it to advance to the White House, where it faces a certain veto.

And separately, the House Ways and Means Committee continues to hold hearings on tax reform ideas. A task force appointed by House Speaker Paul Ryan (R-WI) is expected to release a blueprint detailing a vision for comprehensive pro-growth tax reform, as well as a replacement plan for the ACA. Some in the Republican party anticipate being able to use the report as a basis for their campaigns for election, showcasing Republicans as a “proposition” – rather than an “opposition” – party.

Regulatory Roundup

Jointly from Treasury/IRS, Labor, and Health and Human Services:

- *Affordable Care Act Implementation* [Frequently Asked Questions \(Part 31\)](#) on certain preventive services, mental health parity, and women’s health issues.

From Treasury/IRS:

- [Final Rule](#) on the suspension of benefits under the 2014 Multiemployer Pension Reform Act, along with [Revenue Procedure 2016-21](#) to revise the procedures for applying for a suspension of benefits for plans in critical and declining status.
- [Revenue Procedure 2016-28](#), providing the 2017 inflation adjusted deduction limitations for annual contributions made to a health savings account (HSA).

(continued on p. 2)

Health Reports

- The Joint Committee on Taxation prepared [Exclusion for Employer-Provided Health Benefits and other Health-Related Provisions of the Internal Revenue Code: Present Law and Selected Estimates](#) for the House Ways and Means Committee, which estimates the value of tax subsidies and the value of receipts from certain ACA taxes.
- The Congressional Research Service issued [Overview of Private Health Insurance Provisions in the Patient Protection and Affordable Care Act \(ACA\)](#), providing an overview of some of the ACA's private health insurance provisions. It also released [The Affordable Care Act's Employer Shared Responsibility Determination and the Potential Employer Penalty](#), describing the ACA's employer penalties and employer-related regulations.

Financial Accounting News

- The Government Accounting Standards Board issued [GASB Statement No. 82, Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73](#), addressing the presentation of payroll-related measures in required supplementary information, the selection of assumptions and treatment of deviations from guidance in Actuarial Standards of Practice for financial reporting, and the classification of payments made by employers to satisfy pension plan member contribution requirements.
- The Financial Accounting Standards Board issued [Proposed Accounting Standards Update—Technical Corrections and Improvements](#), proposing to amend ASC 820, Fair Value Measurement by clarifying the difference between an “approach” and a “technique” when applying the guidance, thereby requiring a company to disclose when there has been a change in a valuation approach, a valuation technique, or both.

Studies on Aging

- The Social Security Administration released [Income of the Population 55 or Older, 2014](#), providing a broad income picture of a cross section of the studied population (with special emphasis on income of the population aged 65 or older); and [Income of the Aged Chartbook, 2014](#), which covers the group aged 65 or older.
- The U.S. Census released [An Aging World, 2015](#), which covers the demographic, health, and economic aspects of global population aging.

Regulatory Roundup – continued

From Treasury/IRS:

- [Rev. Proc. 2014-24](#), containing guidance for calculating the ACA premium tax credit.
- [Announcement 2016-16](#), withdrawing certain provisions of the proposed rule relating to nondiscrimination requirements applicable to qualified retirement plans.
- [Chief Counsel Advice 201615013](#), detailing permissible statutory applications and requirements relating to “otherwise excludable employees” in a retirement plan, and [CCA 201617006](#), concerning a cash balance plan's eligibility for the tax code section 411(b)(1)(H) safe harbor rules that pertain to lump-sum-based benefit formulas and indexed benefits.
- Web postings: highlighting a number of [defects in plan language](#) that require corrective amendments and delay the issuance of a determination letter; providing guidance on [resolving Form 1095 conflicts](#); discussing [discriminatory plan designs](#) that provide significant benefits to the highly compensated and a specified group of nonhighly compensated, who work very few hours or receive little compensation, and exclude other non-highly compensated employees from plan participation; and introducing a way to [correct a failure to adopt the pre-approved plan](#) by the applicable deadline.
- [Publication 5165 – Guide for Electronically Filing Affordable Care Act \(ACA\) Information Returns for Software Developers and Transmitters \(Processing Year 2016\)](#), which outlines the communication procedures, transmission formats, business rules, and validation procedures for returns transmitted electronically through the AIR system.
- [Form 4419, Application for Filing Information Returns Electronically \(FIRE\)](#).

From the Department of Labor:

- [Final Rule](#) defining “fiduciary” and conflicts of Interest, along with [additional related guidance](#) (including prohibited transaction exemptions, frequently asked questions, impact analysis documents).
- [Special Enforcement Policy Announcement](#), stating that filers of Form LM-21 reports will not be required to complete Part B Statement of Receipts and Part C Statement of Disbursements until further notice.
- [Paying Minimum Wage and Overtime to Home Care Workers: A Guide for Consumers and Their Families to the Fair Labor Standards Act](#), a guide that illustrates the basics of the law and offers practical advice to help families properly compensate their home care workers.
- [The Employer's Guide to The Family Medical Leave Act for Employers](#), along with an [Employee Rights under The Family and Medical Leave Act](#) poster.

From the Pension Benefit Guaranty Corporation:

- [Proposed rules](#) to lower the rates of penalty charged for late premiums by all plans and to provide a waiver of most of the penalty for plans with a demonstrated commitment to premium compliance.
- [2013 PBGC Data Tables: Multiemployer Supplement](#) containing 10 charts that illustrate zone status over time (participants and plans); direction of zone status changes; zone status and tests for declining status; and administrative expenses.

From the Department of Health and Human Services:

- [Announcement](#) of the 2017 Medicare Part D benefit parameters and cost threshold and cost limit amounts for plan years ending in 2017, including requirements for employers sponsoring group waiver plans.

From the Equal Employment Opportunity Commission:

- [Digest of Equal Employment Opportunity Law](#), which features a variety of recent EEOC decisions and federal court cases of interest.

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