



JANET
LETOURNEAU

ACFCI, is the compliance manager at WageWorks. She draws upon more than 20 years of experience with flexible benefits plans and tax laws to perform consulting services and monitor quality control.

LeTourneau is a frequent speaker to employer groups and conferences and was formerly on the board of directors for the Employers Council on Flexible Compensation (ECFC) and is a current member of the ECFC Technical Advisory Committee (TAC). She is the lead instructor for the Section 125 administrators training workshop.

LeTourneau was one of the first people in the country to earn the Advanced Certification in Flexible Compensation Instruction designation sponsored by the Employers Council on Flexible Compensation. She is a certified trainer in the ACFCI program.

LeTourneau can be reached at WageWorks, 4200 West 115 Street, Suite 300, Leawood, KS 66211. Telephone: 913-498-4157. Email: jan.letourneau@wage-works.com.

The Benefits Brief...

Snowballs In July

While the majority of people are thinking about summer vacations, sunshine and getting out their convertibles, benefit specialists are hunkering down to map out enrollment for a plan year that won't even start until January 2014.

Why? Because the Affordable Care Act (ACA) changes are coming like a snowball getting bigger and bigger as it rolls downhill. But is it really a giant snowball or can you break down the 2014 ACA changes and make snow cones?

I've been talking about health care reform since November 2009—and there's still a lot to talk about, especially with all that's changing in 2014. The state insurance exchanges are now known by their new name—*marketplaces*. But be aware that there's an avalanche of differences among the states' marketplaces: how they are accessed, who is sponsoring them, and if they are public or private marketplaces.

The good news is that what seems overwhelming doesn't have to be. Employers and individuals will be able to go out to a marketplace and compare health insurance policies, coverage and premium rates—and there will be people available to help if needed. There is a 5 to 12 page application that must be completed by anyone purchasing insurance. The application's length depends on how many are in the family unit to be covered. Applications are located at www.cms.gov/CCIIO/resources/Forms-Reports-and-Other-Resources/index.html#Affordable%20Insurance%20Exchanges.

Now is the time for you to help your employer-clients step back, take a deep

breath and build a strategic plan. Plans don't need to be complicated; in fact a simple plan might look something like this:

1. Employer size. Determine how many employees an employer has and which regulations apply to them.

2. Benefits. List every benefit the employer offers. This includes health coverage plans and voluntary products. Be sure to include tax-advantaged accounts that help employees defray out-of-pocket expenses, because these plans will continue to be an important part of coverage provided to employees.

3. Demographics. It's important to understand the average income levels and who is accessing benefits. Subsidies are available to employees for up to 400 percent of the federal poverty limit (about \$46,000 for an individual) and, depending on the average income of the employee population, subsidies are an important factor in the decision process.

4. Coverage. Is the employer required to provide health coverage to employees? Do they want to continue to offer health insurance? Does the employer want to continue to provide dollars for health insurance?

5. Budget. How much is the employer currently spending on benefits?

Keep in mind that your employer-clients will most likely want to continue the tax-advantaged accounts for employees (both flexible spending accounts [FSAs] and health savings accounts [HSAs]) because these benefits help employees defray out-of-pocket expenses.

Once the strategic plan is in place, build on it by assessing what insurance plans are available that fit the employers size and budget. Take into consideration the employee demographics and employer size, because that may impact whether the employer is required to pay mandate penalties, as well as whether they guide their participants to the public marketplace for individual insurance plans or make group policies available.

Finally, help your employers understand the importance of sending out participant notices and disclosures concerning the marketplaces. Notices are located at www.dol.gov/ebsa/.

Getting the word out about marketplaces is critical to the successful implementation of the ACA.

Flexible Benefit Plans

Benefits administrators need their own game plan for clients. Health reimbursement arrangements (HRAs) can deliver considerable tax-advantaged dollars to participants enrolled in their employer's health coverage through a private marketplace.

Employers can soften the blow of a higher deductible plan with an HRA. In some cases an HRA can be established to deliver premium dollars to lower-paid employees in order to achieve affordable coverage, a requirement in certain marketplaces through SHOPS and public marketplaces. However, premium dollars cannot be delivered to employees through an HRA.

Employers can allow employees to defray other out-of-pocket health care expenses with tax-advantaged dollars through an FSA or even allow other voluntary benefits

to be purchased on a tax-advantaged basis through a cafeteria plan—just keep in mind that there are strict compliance regulations.

Employee Education

Employers need to share the information they are gathering with their employees, as well as the decisions they are making now. An employers first course of action should be to dispel any misinformation that's out there. The only way to accomplish this mission is to educate employees as soon as information becomes available.

You, as their trusted advisor, are in a prime position to guide employers. 🌐

The information contained in this article is not intended to be legal, accounting, or other professional advice. We assume no liability whatsoever in connection with its use, nor are these comments directed to specific situations.