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cpi lights

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President

It has been 14 years since the Patient Protection Affordable Care Act (PPACA)was passed, and 10 years since the ACA's requirement that Americans have access to affordable health insurance and the beginning of coverage under federal and state Marketplace programs.

When the Marketplace was originally enabled many Americans received discounted or low-cost benefits while others saw their premiums dramatically increase. It was hard for some to understand how their coverage was "affordable" under this new mandate.

Fast forward 10 year and the ACA, its benefits, and premiums, have become far more accepted. We have sorted out the best way to provide coverage for ourselves, and employees, within the law's parameters.

But there is still talk of a national public option, most notable a "Medicare for All" platform. With public satisfaction on the rise for the status quo, perhaps the best solution is to find ways to make ACA more affordable for everyone paying premiums, not just those who qualify for subsidies. We have come to appreciate the day to day "perks" of 100% coverage for preventive services, which often include maintenance prescription drugs. But we still must appeal to the carriers and legislators for better options for the accident/illness related charges that can create financial hardships if the insurance coverage isn't enough.

Thanks for continuing to read CPILights!

As always, if you would like to submit an idea or comment in writing you can reach me at **Jcyganiaksr@cyganiakplanning.com**

Regards,

Jon A. Cyganiak

Jon A. Cyganiak, CLU
President

SECURE 2.0 ACT TAX CHANGES Beginning in 2024

SECURE 2.0 Act, passed in December 2022, was part of an omnibus government funding bill. The retirement savings package contains numerous provisions that will impact individual's and employer's retirement savings decisions.

Here are some of the features that will begin within the next 12 months.

1. RMD age increases from 72 to 73. It will bump up to age 75 in 2033.
2. Higher catch-up contributions are available. For those 60-63 the catch-up limit has increased to $10,000 for tax years beginning after 2024.
3. Some catch-up contributions will be required to be taken as Roth IRAs for those making more than $145,000, beginning tax years after 2023.
4. The missed RMD penalty is lowered to 25%, from its current 50%, but is likely to be enforced.
5. Penalty-free withdrawals up to $1,000 per year from retirement savings is allowed for emergencies. It must be repaid before another can be taken.
6. Employers can match an employee's qualified student loan payment with a corresponding payment to their 401(k), 403(b), SIMPLE IRA, or 457(b) plan.
7. Beginning tax years 2025 and beyond funds up to $2,500 can be taken out for long term care insurance without penalty. Withdrawals will be subject to ordinary income tax.
8. 529 plans that are at least 15 years old may be rolled into a Roth IRA. No more than $35,000 over a beneficiary's lifetime may be transferred.

Consult with your tax advisor to get specific guidance on any of these or other SECURE 2.0 tax changes.

Source: https://www.thinkadvisor.com/2024/01/19/10-secure-2-0-act-tax-changes-you-should-know-for-2024-and-beyond/

Managing Editor: Laura Bagin

ACA EMPLOYER COVERAGE REPORTING

Part of the ACA mandate includes employer and insurance carrier reporting showing they have complied with their obligations regarding employer-sponsored health coverage.

IRC Section 6055 requires a health insurer to provide coverage statements that the insureds can use to show the IRS that they've met the individual shared responsibility requirements. Insurers meet the Section 6055 coverage reporting requirements with IRS Form 1095-B.

IRC Section 6056 requires an ALE (Applicable Large Employer) to provide coverage statements that show whether it's met the ACA employer shared responsibility standards. Employers meet the Section 6056 coverage reporting requirements with IRS Form 1095-C.

Self-insured employers usually meet the Section 6055 requirements along with the Section 6056 requirements by sending out 1095-C forms. A self-insured employer of less than 50 FTE's (Full Time Equivalents) that sends out 1095-B forms to the insureds is supposed to send copies of those forms, along with a 1094-B cover sheet form, to the IRS.

Similarly, an ALE that sends out 1095-C forms is supposed to send copies of those forms, along with a 1094-C cover sheet form, to the IRS.

Forms 1094-C, 1095-B and 1095-C should be submitted to individuals by **March 1, 2024**.

The IRS electronic filing deadline for employers with self-funded plans and those Applicable Large Employers (ALEs) is **April 1, 2024**. This is a final date with no available extensions.

Employers not only need to file their forms they need to ensure accuracy of the information. Those who submit erroneous filings with inaccurate or incomplete information face up to $310 per form, which is usually doubled to account for the error that was both given to the employee and e-Filed with the IRS.

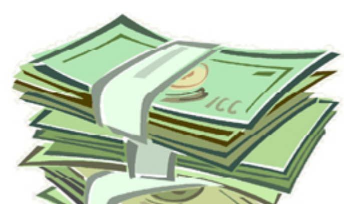
LEGISLATIVE UPDATES

FEDERAL

Beginning in 2024 the IRS requires employers filing 10 or more of the following forms to file their tax returns electronically.

*W-2	*1099
*1094-B	*1095-B
*1094-C	*1095-C

RETIREMENT PLAN ANNUAL CONTRIBUTION LIMITS 2024



	CONTRIBUTION LIMITS		CATCH-UP CONTRIBUTIONS*	
	2023	***2024***	***2023***	***2024***
401(k), 403(b) plans	**$22,500**	**$23,000**	**$7,500**	**$7,500**
Total Contributions: Maximum participant/employer contributions combined is lesser of 100% compensation or $69,000.				
SIMPLE IRA Plans	**$15,500**	**$16,000**	**$3,500**	**$3,500**
Total Contributions: Maximum participant/employer contributions combined is $26,350 subject to 3% employer match ($22,900 for 2% employer match).				
Traditional or Roth IRA	**$6500**	**$7,000**	**$1000**	**$1000**

HOW TO IMPROVE EMPLOYEE PARTICIPATION
In Health Savings Accounts

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Your company probably spent a great deal of time and effort choosing the right mix of benefits to offer your employees. In return for that time and effort (and the money the company will spend on premiums and other administrative costs), you as the employer are probably expecting to receive cost savings, higher retention, and more effective recruitment, as well as healthier, happier, and more engaged employees.

In this article let us discuss how to get as many eligible employees to enroll in your HSA, as well as how to keep them engaged with the benefit.

1. Explain eligibility criteria
Even if this isn't the first time you're offering an HSA to your employees, they might not know how to qualify to participate. Anyone who meets the requirements to participate in company benefits, can participate in an HSA as long as they also meet these eligibility requirements:

- They are actively enrolled in a High Deductible Health Plan (HDHP) and it's their only health insurance coverage.
- They can't be considered a dependent on someone else's tax returns.
- They're 18 or older and not enrolled in Medicare (Part A and Part B) or Medicaid.
- They don't have or use a General Purpose FSA (Flexible Spending Account). But, employees are allowed to have a Limited Purpose FSA for dental, vision, or a Dependent Care FSA.

2. Discuss the main advantages
Another way to increase employees' adoption of and engagement with an HSA, is to make sure they're clear on the benefits of participating in this type of account.

Here are some of the benefits you should highlight:

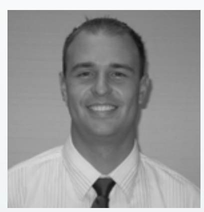
1. HSAs rollover from year-to-year. Unlike other medical spending accounts, employees own their HSAs and all the contributions made to them (including any employer's contributions). Because of this, their account balance rolls over from year-to-year, enabling them to build a health safety net for that medical rainy day we all inevitably have.
2. HSAs are portable. Another way account ownership benefits employees is that they never lose access to their HSA-even if they leave the company. Also, if they cease to be covered by an HDHP, they can still use their previously contributed money on qualified medical expenses.
3. HSAs come with a triple tax advantage. The money employees contribute is tax-free the year it's made; it grows tax-free and distributions that are made for qualified medical expenses are tax-free as well.
4. HSAs can act as a supplemental retirement savings account. Since HSAs rollover from year-to-year, employees have the chance to build their savings over time. Once they turn 65, their account starts to act like a typical retirement account except for one caveat: distributions for qualified medical expenses remain tax-free.

3. Make employer contributions
The more employees contribute to their HSAs, the more engaged they become and the more money you save on FICA taxes. So, if you really want to encourage employees to keep contributing to their account and to contribute more, consider implementing employer contributions.

4. Enable investment of HSA contributions
If you want to encourage employees to contribute more to their HSA and to stay engaged with their account, offering an HSA investment account is a good way to do this. It also helps to ensure they grow their money faster. The more success employees see they're having in growing their medical safety net, the more they're likely to stay engaged with it.

Source: Lively

THE Q & A CORNER



Aaron Bielawski
Agent
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The Cyganiak Planning Q & A Corner takes questions that our agents and sales/service associates were asked and provides detailed guidance to help you understand and resolve similar scenarios at your workplace, should they ever arise.

QUESTION: In the State of Wisconsin, how long do employees have after receiving a state continuation notice to elect it?

ANSWER: Wisconsin's health care continuation law is found at Wis. Stat. § 632.897. Under the law, employers must provide the terminated insured written notice of the right to continue coverage (including the premium required, manner, place and time in which payments must be made) not more than five days after the employer receives notice to terminate coverage. Group coverage remains in effect until the insured receives this notice. An individual must elect continuation coverage and pay the required premium **within 30 days** of receiving the above notice.

Disclaimer: Guidance provided above is opinion gathered from Cyganiak Planning Inc.'s Human Resources Advocacy Firm based on their research of specified topics and cannot be considered as legal opinion or legal fact. Please consult with your legal counsel for any specific and final guidance in any situation pertaining to your own company.

WHAT IS ERISA?

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The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for most voluntary established retirement and health plans in private industry to provide protection for individuals in these plans (1). As a federal law, it supersedes any state laws relative to employee benefit plans.

Some areas in which ERISA laws set standards for employers and plan administrators are (2):

- **Reporting.** Plan administrators are held accountable through detailed reporting due annually to the federal government.
- **Protection.** The law lays out how assets in retirement plans are protected and how plan participants can have grievances addressed.
- **Plan participation.** The law specifies anti-discrimination regulations on plan participation. For example, high earners often cannot contribute a significantly higher proportion of their salaries than low earners.
- **Fiduciary standards.** The law dictates that plan administrators act in employees' best interests, not their own.
- **Information disclosures.** All plan participants must be provided specific standardized information about their plans.

ERISA rules cover most private sector employer sponsored retirement plans. These include pensions, 401K, profit sharing, and IRAs offered by employers. ERISA also covers almost all private-sector healthcare plans. ERISA does not apply to plans established or maintained by government entities, churches for their employees, or plans which are maintained solely to comply with applicable workers compensation, unemployment, or disability laws (1).

- ERISA- governed healthcare plans must clearly show the benefits and rules for eligibility, but they must also: Provide clear disclosure of premiums, co-pays, provider networks, premiums, and deductibles (2).
- Outline claims procedures (2).
- Spell out plan portability (including COBRA coverage that extends insurance coverage after employee separation from employer) and include specific language addressing participant privacy outlined by HIPAA (2).
- Cover 48 hours of post-birth, in-hospital care (72 hours for C-sections) (2).

The Affordable Care Act added even more protections required for healthcare plans (other than those covered by ERISA) including mandating equal coverage for all pre-existing conditions, allowing dependent children to remain covered by the parents plan until age 26, and capping out-of-pocket costs.

There is some speculation that both state and federal legislators are planning to introduce bills this year to circumvent ERISA's preemption clause, which could allow state benefit laws to apply before ERISA. Time will tell if, and how, this could play out.

Source:
1) Employee Retirement Income Security Act (ERISA) | U.S. Department of Labor (dol.gov)
2) What Is ERISA And Why Does It Matter? – Forbes Advisor

BELIEVE IT OR NOT…

Telemedicine is here to stay and we all like it!

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A recent survey finds more than 75% of those surveyed claim telemedicine visits not only improved access to health care services but over half state that virtual visits were more convenient.

It seems about a quarter of respondents said they had a negative view of telemedicine before trying it. However, once they had a virtual visit, 90% said they would recommend using it.

It didn't matter if a respondent was a baby boomer, millennial or a Gen Zer. All had similar feelings about telemedicine before trying it. Between 25 to 30% were uncertain how effective these types of doctor visits could be.

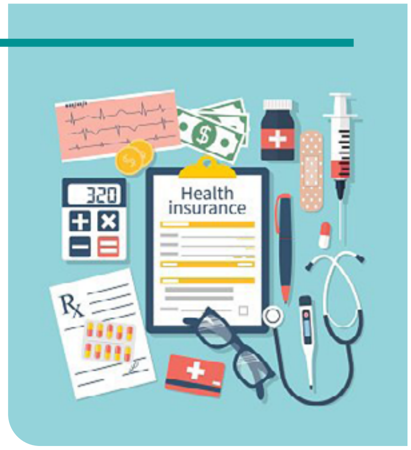
The survey found that 62% of respondents felt that having telemedicine available made them more likely to seek care they would have put off. But 44% felt the appointments were less effective than an in-person visit.

"Individuals who started using telemedicine during the pandemic reported finding it more convenient than those who had used it before, highlighting the shifting perception of telemedicine as a viable and user-friendly option for medical care," the survey authors write.

Telemedicine or Virtual Visits are not going anywhere. Many insurance companies are or will be offering these types of services and some are expanding the range of services to therapy, follow-up visits, and more. Your own personal doctor may currently offer these types of visits. You don't know until you ask.

Source: https://www.medicaleconomics.com/view/americans-like-telemedicine-more-after-trying-it-survey ; https://www.medicaleconomics.com/view/the-state-of-telemedicine-today ; https://assurance.com/health-insurance/the-impact-and-perceptions-of-telemedicine/

WHEN WELLNESS ISN'T PREVENTIVE



Insurance carriers are required to cover several preventive services under the terms of the Affordable Care Act (ACA). But what the law says and what sometimes can happen in practice aren't always the same. And then sometimes what starts as a preventive visit can change to a medical visit depending on what is discussed.

So many providers have a checklist of questions to be answered when you go in for the annual wellness check. Their goal is to make sure you are in good health, follow up on any existing medical conditions, and catch any new condition that you may not be aware of. All of these are important components of an annual exam; they just may not all be covered as preventive services.

Your wellness services that are considered preventive at your annual exam include the visit itself, as far as you discuss your general wellbeing, any labs to make sure there are no abnormalities, any age-appropriate screenings, labs or tests, and any immunizations you may get.

Discussions, labs, and tests related to an existing medical condition, such as high blood pressure or high cholesterol, diabetes, or heart disease, could be coded as a regular medical visit by your doctor. And thus, subject to deductibles, coinsurance, and copayments. While it is important that you are honest with any provider about new ailments or conditions, those too may fall outside of the preventive scope of coverage.

How a claim is covered will be determined by the codes used when it is submitted to your insurance. If you have questions on how, or why, it was coded a particular way ask for an itemized statement from your doctor to verify what was submitted is what occurred. Billing offices may have billed incorrectly.

When all is said and done, your health, and getting the proper medical treatment for any existing or new conditions is more important than if a service is preventive or not. However, there is no reason to pay for something if you don't have to.

In the SPOTLIGHT

A WHO'S WHO IN SUCCESSFUL BUSINESS

Cyganiak Planning, Inc. would like to recognize the physical growth, as well as the accomplishments of our clients. If you are expanding your human resources or your facility, please let us know. If you are participating in some community outreach or volunteer effort or have recently been recognized with an award, please contact your agent (262-783-6161) and we will share your achievements with our readers.

CONGRATULATIONS to our clients who have been named to the 2024 Titan 100-Wisconsin.

The Titan 100 program recognized the top 100 CEOs and C-level executives. They are the area's most accomplished business leaders in their industry using criteria that includes demonstrating exceptional leadership, vision, and passion. The Titan 100 embodies the true diversity of the Wisconsin business landscape from both the private and public sectors.

"The Titan 100 are visionary leaders that inspire the Wisconsin business community. These preeminent leaders have built a distinguished reputation that is unrivaled and preeminent in their field. We are humbled to recognize the Titan 100 for their efforts to shape the future of the Wisconsin business community" says Jaime Zawmon, President of Titan CEO.

Jon Greenberg - Milwaukee Admirals

Rashi Khosla - MARS Solutions Group