UBA HRElements®

MAY 2016 UPDATE

Ideas and Information for Human Resources Professionals

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HR ELEMENTS
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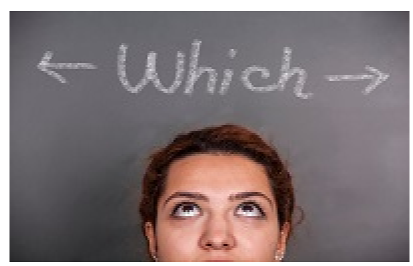
IN THIS EDITION

EMPLOYEE RELATIONS

KNOW THE DIFFERENCE BETWEEN HRAS, HSAS AND HEALTH FSAS

To understand which option is best for your particular situation, it's essential to know the differences between health reimbursement arrangements (HRAs), health savings accounts (HSAs) and health care flexible spending accounts (HFSAs).



Answers to the top questions about these account-based plans reveal many of the key differences, including contribution restrictions and tax treatment.

WHO MAY LEGALLY PARTICIPATE?

- HFSA: Any employee who is also eligible to participate in a group medical plan sponsored by the employer; retired employees are eligible if most participants are active employees.
- HRA: Any employee who is covered by a group medical plan sponsored by the employer (or if the employer chooses, by the spouse's employer); retired employees are eligible (a retiree-only plan does not have to meet the medical coverage requirement).
- HSA: Any employee who is covered by a high deductible health plan (HDHP), not covered by a plan that is not an HDHP, and not covered by any part of Medicare or eligible to be claimed as a tax dependent; individuals who are receiving Medicare may not contribute to an HSA.

MAY THE EMPLOYER IMPOSE ADDITIONAL ELIGIBILITY REQUIREMENTS?

- HFSA: Yes. The employer may design the plan to cover whom it wishes as long as it meets the non-discrimination requirements.
- HRA: Yes. The employer may design the plan to cover whom it wishes as long as it meets the non-discrimination requirements.
- HSA: An employer may not limit the ability of an eligible employee to contribute to an HSA, but the employer may limit its contributions to employees participating in the HSA designated by the employer.

MAY AN EMPLOYEE CONTRIBUTE TO THE ACCOUNT?

- HFSA: Yes, up to the lesser of $2,550 or the maximum set by the plan (any carryover does not apply toward the $2,550 cap).
- HRA: No.
- HSA: Yes, up to the total contribution limit ($3,350 in 2016 for self-only coverage and $6,750 in 2016 for family coverage); individuals age 55 or older may contribute an additional $1,000.

MAY AN EMPLOYER CONTRIBUTE TO THE ACCOUNT?

- HFSA: Yes, up to two times the employee's contribution plus $500.
- HRA: Yes.
- HSA: Yes, up to the total contribution limit described above.

MAY ANOTHER PERSON OR ENTITY CONTRIBUTE TO THE ACCOUNT?

- HFSA: No.
- HRA: No.
- HSA: Yes. Anyone may contribute to an HSA, up to the total contribution limit.

DOES THE SPOUSE'S COVERAGE MATTER?

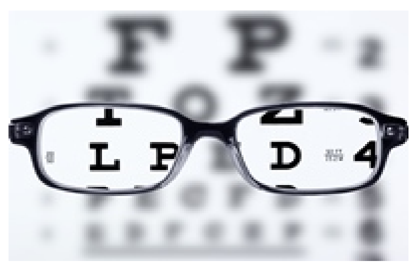
- HFSA: No.
- HRA: An employer may--but is not required to--integrate the HRA with coverage through the spouse's employer.
- HSA: Yes. If the employee is covered by a non-HDHP through the spouse (which may include an HFSA or an HRA), the employee will not be eligible to contribute to an HSA.

For a comprehensive view of the differences between HRAs, HSAs and HFSAs, with comparisons for 25 additional questions, download "HRAs, HSAs, and Health FSAs--What's the Difference?"

TECHNOLOGY

IN FOCUS: DIGITAL EYE STRAIN AND VISION BENEFITS

Eighty-one percent of employees have elected vision benefits in 2016, up from 78 percent last year, according to Transitions. This increase moved vision into a tie with dental as the second most popular benefit election behind medical.



Digital eye strain, which is detailed by a report from The Vision Council, could be a contributing factor to the trend. Some of the Council's findings include:

- 65 percent of Americans report experiencing symptoms of digital eye strain, including 70 percent of women.
- Nearly 90 percent of Americans use digital devices for two or more hours daily and nearly 60 percent do so for five or more daily.
- 77 percent of those who suffer from digital eye strain use two or more devices simultaneously, with women more likely to do so than men. In comparison, only 53 percent of those who use only one device at a time suffer from digital eye strain.

The symptoms of digital eye strain include neck/back/shoulder pain, headache, blurred version and dry eyes. In addition to the health concerns they bring, these symptoms can also negatively impact employee productivity.

An article in *Employee Benefit News* by Dr. Linda Chous, UnitedHealthcare's chief eye care officer, titled "Digital Eye Strain Among Workers Causing Employers to Rethink Vision Benefits," has several prevention tips for reducing digital eye strain in your employees:

1. Employees should keep computer screens about 30 inches away from their eyes.
2. Employees should rest their eyes every 15 minutes.
3. Employees should blink frequently, which reduces dry eye and helps maintain eye health.

Chous also advocates for regular eye exams, for reasons beyond digital eye strain. She writes, "The eyes are also a window to overall health. Regular eye exams play an important role in identifying and managing serious, chronic conditions, including diabetes, high cholesterol, hypertension, multiple sclerosis and some tumors."

She goes on to note how some employers are now "embracing an integrated approach to vision and medical benefits that support patients and health care professionals with information, decisions and outcomes." These programs have a variety of features, such as:

- Eye care practitioners can be encouraged to code claims with chronic condition categories, and patients with those diagnoses can be automatically referred to disease management programs.
- Eye care practitioners can be notified of patients with at-risk conditions during the exam authorization process.
- Patients with certain conditions (such as diabetes and hypertension) can be notified with a phone call about the importance of their annual eye exam.
- For patients who may have chronic conditions, eye care practitioners can use specially designed online forms to refer them to primary care providers or specialists.

As an employer, you have the ability to help protect your employees' eye health--which, in turn, influences their overall health and productivity. And, with adults under 30 experiencing the highest rates of digital eye strain (73 percent) of all age groups, taking actions and providing benefits that protect employees' eye health is likely to become even more important.

WELLNESS

Moving from Employee Wellness to Employee Well-Being

The terms "wellness" and "well-being" are often used interchangeably; however, they mean very different things when applied to workplace health promotion.

Traditionally speaking, employee "wellness" programs have primarily focused on just physical health. Whereas employee "well-being" programs emphasize emotional, mental, social, and financial health in addition to physical health.

With the addition of millennials in the workplace coupled with the aging working population, organizations are realizing that the traditional approach to workplace health promotion isn't enough. Employers have begun to take a more holistic approach to employee health and are now beginning to focus on well-being. According to the 7th annual survey on corporate health & well-being, employers are expanding programs to focus on improving employees' emotional and financial well-being. This includes offering education and resources focused on stress management, work-life balance and financial health. There is also a social aspect in well-being programs, which encourage team-building and boosting morale.

Generally speaking, employee well-being programs tend to be more inviting than traditional wellness programs. Well-being programs offer a larger variety of activities and resources, which are based upon interest as well as need. These programs have a greater focus on the "fun factor"--the program's appeal to a broader employee population.

The motivation for employers to offer employee well-being programs has also increased. The desire to address soaring health care costs and increase productivity while reducing absenteeism remains a top priority. However, employers are now positioning their well-being programs to attract top talent and to encourage employee engagement. Employers seek to become an employer of choice by offering thoughtfully designed plans. This is especially valuable if you are looking to acquire millennial talent, which tends to be enticed by such offerings.

How do you start an employee well-being program?

There are seven common elements in successful wellness programs, according to the Wellness Council of America. Common elements in successful wellness and well-being program development include:

- Garner C-suite support
- Develop a cohesive wellness team
- Collect data to drive a results-oriented wellness initiative
- Create an operating plan
- Choose appropriate interventions
- Create a supportive, health-promoting environment
- Carefully evaluate outcomes

June 2016 will mark the 8th annual National Employee Wellbeing Month. If your organization has not yet implemented a well-being program, now is a great time to start. Well-being programs are significant additions to a fringe benefit program--for employees and employers.

As you move to well-being programming, be sure your wellness offerings provide a best practice foundation. UBA's Health Plan Survey Executive Summary can help you benchmark your wellness program components.

EMPLOYER WEBINAR

THE ACA: A NEVER-ENDING STORY

Tuesday, June 14, 2016

1:00 P.M. CT

The Affordable Care Act (ACA) has placed numerous obligations and responsibilities on applicable large employers (ALEs) and employers who sponsor group health plans. Many requirements and regulations have been recently released or updated since March 2010, and it can be difficult to stay on top of the many moving pieces of ACA compliance.

This webinar will:

- Briefly review the Patient-Centered Outcomes Research Institute (PCORI) fee, when it is due, and how much is owed
- Give an overview of the Transitional Reinsurance fee (TRF), when it is due, and how much is owed
- Provide best practices on what to do when an employer discovers it missed a PCORI or TRF payment
- Discuss the process for correcting 1095-C and 1095-B forms that were issued to employees
- Discuss the process for correcting 1095-C, 1094-C, 1095-B, and 1094-B forms that were issued to the IRS
- Discuss the annual limits on contributions for individuals and families with high deductible health plans, as well as the annual limits on out-of-pocket expenses
- Discuss how the self-only limitation applies to individuals with both individual and family coverage, regardless of whether they are enrolled in a high deductible health plan or not
- Provide the indexed amounts for affordability and penalties under employer shared responsibility provisions

This 60-minute basic webinar will help employers get up to date on many of the components of the ACA that have recently been released or updated.

Contact Stephens Insurance to register.

ABOUT THE PRESENTER

Lorie Maring is Of Counsel in the Atlanta, Georgia, office of Fisher & Phillips LLP. She focuses her practice on helping employers navigate ERISA and other state and federal laws impacting the design, implementation and ongoing compliance of their employee benefit plans and programs.

Ms. Maring regularly advises clients on the Affordable Care Act, health and welfare benefits, qualified plans, executive compensation, MEWAs, and multiemployer plan issues.
She also represents employers in managing IRS and DOL audits, HIPAA compliance and fiduciary obligations. She serves clients in the public and private sector, including non-profit organizations and trade associations.

Ms. Maring received her Juris Doctor degree, cum laude, from the University of South Carolina School of Law in Columbia, S.C.

CERTIFICATION

This webinar event has been submitted to the Human Resource Certification Institute to qualify for one recertification credit hour.

STUDENT LOAN BENEFIT

STUDENT LOAN BENEFITS, RECRUITMENT AND RETENTION

Eighty-nine percent of job seekers with student loan debt said they believe companies should offer student loan repayment as an employee benefit, according to a survey by Beyond.com.

In fact, the survey, which had more than 5,000 respondents, indicated that student loan repayment could be a tool for recruiting and retaining employees. More than 67 percent of those with student loan debt said they would be more willing to accept a job offer if student loan repayment was offered, and 81 percent said they would be more willing to stay with a company if leaving meant losing student loan repayment.

Nearly one-third of the respondents with student loan debt said they owed more than $35,000.

Student loan repayment programs are a relatively uncommon benefit. According to SHRM's 2015 Employee Benefit Survey, only 3 percent of more than 450 companies surveyed offer student loan repayment programs.

Read a full article on the topic on Workforce.com.

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