

Nondiscrimination RULES are Delayed for PPACA

AT BOND

we keep you up-to-date on healthcare changes as they are made, to help you plan for a secure and healthy future. There have been updates to the PATIENT PROTECTION AFFORDABLE CARE ACT, so please read below for details.



The PATIENT PROTECTION AFFORDABLE CARE ACT extends the IRS nondiscrimination requirements that previously applied only to self-insured group health plans to all fully-insured, nongrandfathered group health plans effective for plan years beginning on or after September 23, 2010.

The IRS announced on December 22, 2010 in Notice 2011-1 that insured group health plans would not be asked to comply with nondiscrimination provisions in the new health reform law until the IRS issues further guidance.

The IRS acknowledged employers would have a difficult task complying with the new legislation without clear guidance. The main requirement that needs clarification states the new discrimination testing should follow "rules similar" to Code section 105(h)(3)(4)(8), which applies today to self-insured group health plans.

Public comments on issues that should be addressed in the planned guidance are requested by March 11, 2011. All materials submitted will be shared with the Department of Labor and the Department of Health and Human Services.

The date which fully-insured health plans must be in compliance is unknown. The notice states "In order to provide group health plan sponsors time to implement any changes required as a result of the regulations or other guidance, the Departments anticipate that the guidance will not apply until plan years beginning a specified period after issuance." Bond Financial Network, Inc. expects client compliance to be effective next plan year (2012) and the rules will not be retroactive.

We will provide you with more information as it becomes available.



*We'll focus on your benefits,
you focus on your business.*

PITTSFORD VILLAGE GREEN | 71-A Monroe Avenue | Pittsford NY 14534
phone: 585-248-5870 fax: 585-248-9480 email: bbond@bfnc.com
web: www.bondbenefitsconsulting.com