



IRS Announcement Adds Breast Pumps and Lactation Aids to the Medical Account Eligible Expense List

The following information, provided by the Internal Revenue Service, is being sent as a courtesy to keep you informed on the status of the Health Care initiatives taking place in our government.

Newly released guidance from the IRS (IRS Announcement 2011-14) adds breast pumps and supplies and lactation aids to the list of items eligible for reimbursement from a medical account (such as a Flexible Spending Account (FSA), Health Reimbursement Arrangement (HRA) or Health Savings Account (HSA)). With the ruling, which takes effect immediately, new and expectant participants can use their medical accounts to purchase or be reimbursed for eligible lactation-related expenses.

This follows on the heel of the Affordable Care Act's requirement to provide both lactation breaks and facilities.

We encourage you to share this information with your employees who participate in any of these benefit plans. For more information, please see the official IRS announcement at <http://www.irs.gov/pub/irs-drop/a-11-14.pdf>.

As always, we'll keep you posted of significant developments as they occur.

If you have any questions, please contact your HARDEN Employee Benefits Account Manager.

Sources:

WageWorks Compliance Alert. Take care by WageWorks 02/10/2011.

Internal Revenue Service. Part IV Lactation Expenses as Medical Expenses. Announcement 2011-14. <http://www.irs.gov/pub/irs-drop/a-11-14.pdf>.



60-Day Advance Notice Requirement

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Section 2715(d)(4) of the Public Health Service Act (PHS Act) generally provides that if a group health plan or health insurance issuer makes any material modification in any of the terms of the plan or coverage involved that is not reflected in the most recently provided summary of benefits and coverage, the plan or issuer must provide notice of such modification to enrollees not later than 60 days prior to the date on which such modification will become effective.

The new FAQs state that the requirement that group health plans and health insurance issuers provide at least 60 days' advance notice of material modifications will not become effective until the summary of benefits and coverage explanation becomes due under the new law pursuant to the standards issued by the Departments. The Departments have not yet issued these standards and it is generally expected to be some time in early 2012 before they are announced. Additional guidance is expected to be issued prior to that effective date.

It is not expected for the requirement to provide 60 days' advance notice to take effect until early 2012. Note, however, that the general summary plan description and summary of material modifications rules will continue to apply to most group health plans under ERISA.

As always, we'll keep you posted of significant developments as they occur.

If you have any questions, please contact your HARDEN Employee Benefits Account Manager.

Sources:

United States Department of Labor. FAQs About Affordable Care Act Implementation Part IV and Mental Health Parity Implementation. <http://www.dol.gov/ebsa/faqs/faq-aca5.html>



Automatic Enrollment Delayed

The following information, provided by the Internal Revenue Service, is being sent as a courtesy to keep you informed on the status of the Health Care initiatives taking place in our government.

The Affordable Care Act amended the Fair Labor Standards Act (FLSA) by adding a new section, 18A, requiring employers with 200 or more full-time employees to automatically enroll new full-time employees in the employer's group health benefits plans and continue enrollment of current employees. The effective date of this rule was not defined.

The new FAQs state that regulations will be issued to provide rules for determining full-time employee status. Until those regulations are issued, employers will not be required to comply with the automatic enrollment requirements. The DOL expects to solicit comments as part of the rule-making process, and intends to issue the regulations by 2014.

As always, we'll keep you posted of significant developments as they occur.

If you have any questions, please contact your HARDEN Employee Benefits Account Manager.

Sources:

United States Department of Labor. FAQs about Affordable Care Act Implementation Part V and Mental Health Parity Implementation. <http://www.dol.gov/ebsa/faqs/faq-aca5.html>