

EMPLOYEE BENEFITS NEWSLETTER

December 2022

Happy Holidays!

INSIDE THIS ISSUE:

2023 PCORI Fee	1
2023 ACA Reporting Deadlines	2
Compliance Reminders	2
Free COVID Tests by Mail	2

Brown & Brown of NY
500 Plum St., Suite 200
Syracuse, NY 13204
Tel. 315-474-3374

4104 Vestal Rd., Suite 102
Vestal, NY 13850
Tel. 607-754-0424

6 Tower Place
Albany, NY 12203
Tel. 518-482-5192

www.bbrown.com

Visit and bookmark the Brown &
Brown website,
www.bbrown.com, now and see
how we are better together!

2023 PCORI Fee Change

The IRS released notice regarding the increase in Patient-Centered Outcomes Research Institute (PCORI) Fee. The new fee is \$3.00 per covered member for all plans with plan years that end on or after October 1, 2022, and before October 1, 2023.

This is an increase to the 2021-2022 PCORI Fee of \$2.79 per covered member that applied to plan years that ended on or after October 1, 2021, and before October 1, 2022. As a reminder, despite fully insured and self-funded health plans being subject to this fee, under IRS rules, self-funded employers/plan sponsors must not only report the number of covered members they have enrolled in the self-funded health plan on Form 720 but also pay the applicable PCORI Fee directly to the IRS by July 31 of the calendar year following the end of the applicable plan year

Example: If an employer's self-funded plan's plan year ends on December 31, 2022, The employer would calculate the PCORI Fee by multiplying \$3.00 by the number of covered members enrolled in its self-funded plan. The PCORI Fee would be paid and Filed on Form 720 by July 31, 2023.

Compliance Reminders

Sexual Harassment Training

Sexual Harassment Training is an annual requirement for NYS Employers. The HRWS 2023 Training should be available Mid-January 2023. Please reach out to Cheryl Clary Cheryl.clary@bbrown.com or Kristin Clark kristin.clark@bbrown.com for more information.

Free COVID Tests by Mail

Free COVID tests are once again available on <https://www.covid.gov/tests>. Each household is eligible for 4 tests. They will start to ship the week of December 19th.

Disclosure to CMS

Employers with health plans that provide prescription drug coverage to individuals who are eligible for Medicare Part D are subject to certain disclosure requirements. One of these requirements provides that plan sponsors must disclose to the Centers for Medicare and Medicaid Services (CMS) on an annual basis and at other select times, whether the plan's prescription drug coverage is creditable or non-creditable. The annual disclosure must be provided within 60 days after the start of the plan year. Please find the link disclosure form below.

<https://www.cms.gov/medicare/prescription-drug-coverage/creditablecoverage/ccdisclosurereform>

Upcoming ACA Reporting Deadlines

Employers subject to Affordable Care Act (ACA) reporting under Internal Revenue Code Sections 6055 or 6056 should prepare to comply with reporting deadlines in early 2023. Employers with 50 or more full-time employees (including full-time equivalent employees) during the preceding calendar year are subject to ACA reporting. For the 2022 calendar year, covered employers must:

- Furnish statements to individuals by March 2, 2023; and
- File paper returns with the IRS by Feb. 28, 2023 (or March 31, 2023, if filing electronically)

Penalties may apply if employers are subject to ACA reporting and fail to file returns and furnish statements by the applicable deadlines.

The annual deadline for furnishing statements to individuals is Jan. 31. However, the IRS finalized a 30-day automatic extension to the annual furnishing deadline. Thus, the deadline for furnishing statements to individuals for the 2022 calendar year is extended from Jan. 31, 2023, to March 2, 2023.

As of 2019, the individual mandate penalty has been reduced to \$0. As a result, an individual does not need the information on Form 1095-B to calculate their federal tax liability or file a federal income tax return. Beginning with the 2021 calendar year, the IRS provided an alternative manner for a reporting entity to furnish statements to individuals under Section 6055. This alternative method applies for all years when the individual mandate penalty is \$0.

Under this alternative manner of furnishing, the reporting entity must post a clear and conspicuous notice on its website stating that responsible individuals may receive a copy of their statement upon request. The notice must include an email address, a physical address to which a request may be sent and a telephone number to contact the reporting entity with any questions. Reporting entities must post the notice by the due date for furnishing ACA statements and must generally retain the website notice until Oct. 15 of that year.

ALEs offering self-insured health plans are generally required to use Form 1095-C, Part III, to meet the Section 6055 reporting requirements, instead of Form 1095-B. A self-insured ALE may use this relief for employees who are enrolled in the ALE's self-insured plan and are not full-time employees of the ALE, as well as for non-employees (e.g., former employees) who are enrolled in the self-insured plan.

However, an ALE may not use the alternative method of furnishing for full-time employees who are enrolled in the self-insured plan.