

2020 EMPLOYEE BENEFITS

Changes, Trends and Best Practices

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HARDSHIP DISTRIBUTIONS

- Applies for 401(k) (profit sharing plans) and 403(b) plans
- Changes based on a new law and new regulations
- No more requirement to suspend contributions for six months or take all available loans from the plan
- Changes how hardship distributions are determined

HEALTH PLAN OPT-OUT CONSIDERATIONS

- Reminder: Opt-out payments are taxable income to employees in most circumstances

- Opt-out payments may need to be considered when determining rate of pay under FMLA

MICHIGAN NO-FAULT CHANGES

- Self-funded health plans will need to decide if they will cover auto accidents
- Some currently exclude auto accidents and some provide they will cover only what other insurance does not cover

ASSOCIATION PLANS

- Association Health Plans (AHPs), now have two common forms

- Association Retirement Plans (ARPs)

CALIFORNIA AND FLEXIBLE SPENDING ACCOUNTS

- Beginning in 2020, California requires notice of flexible spending account (FSA) due dates or limits on when and how funds can be used or taken
- Only for health FSAs
- Consider providing notice, even if not in California

DOL ELECTRONIC NOTICE GUIDANCE

- Proposed rules indicate a much welcome change
- Your website (or benefits administration website) could satisfy requirements, if opt-outs and paper copies are available

COST OF LIVING ADJUSTMENTS, SO FAR

	2019	2020
HSA contribution limit – single/family	\$3,500/\$7,000	\$3,550/\$7,100
HDHP – minimum out of pocket – single/family	\$1,350/\$2,700	\$1,400/\$2,800
HDHP – maximum out of pocket – single/family	\$6,750/\$13,500	\$6,900/\$13,800
Employer ACA Penalty	\$2,500/\$3,750	\$2,590/\$3,890

VACATION AND PTO

- Whether or not to combine types of leave
- Whether to cash out, rollover or neither
- Other new and different incentives

DATA PRIVACY AND SECURITY FOR BENEFITS

- New for some benefits advisors

- Determine what is currently being done, what data you have and who has access to what data

DATA PRIVACY AND SECURITY FOR BENEFITS

- ERISA: HIPAA and fiduciary duties
- There are significant financial risks, even if some laws are preempted by ERISA, including lawsuits from participants experiencing losses
- Obligations and expectations of participants and other parties

DATA PRIVACY AND SECURITY FOR BENEFITS

- Agreements – SPD, third parties and more
- Insurance
- Policies, procedures and practices
- Training

QUESTIONS?



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THANK YOU

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