



OCT. 2016



Have You Reviewed Your Employee Handbook Lately?

Is your employee handbook compliant with federal, state and local laws?

Please reach out to Marshall & Sterling to discuss our employee handbook services.

Current Version of Employer CHIP Notice Set to Expire on October 31

With preparations for open enrollment underway, please be advised that the current version of the Employer Children's Health Insurance Program (CHIP) Notice is set to expire on **October 31, 2016**.

Annual Notice Requirement

Employers that provide coverage in states with premium assistance through Medicaid or CHIP must inform employees of potential opportunities for assistance in obtaining health coverage **annually before the start of each plan year**. An employer may provide the notice **applicable to the state in which an employee resides** concurrent with the furnishing of:

- Materials notifying the employee of health plan eligibility;
- Materials provided to the employee in connection with an open season or election process conducted under the plan; or
- The summary plan description (SPD).

Current Model Notice Set to Expire on October 31

The [current version](#) of the Employer CHIP Notice is set to expire on **October 31, 2016**. A news alert will be sent out as soon as the new Employer CHIP Notice is available.

Our section on [CHIPRA](#) (the Children's Health Insurance Program Reauthorization Act) contains additional information on employer responsibilities related to CHIP.

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[Click here](#) for more information on employer responsibilities related to CHIP.

Maximum Individual Mandate Payment Amount for 2016 Released

The Affordable Care Act's "[individual mandate](#)" provision requires every individual to have minimum essential health coverage for each month, qualify for an exemption, or make a penalty payment when filing his or her federal income tax return. Recently, the Internal Revenue Service (IRS) issued [Revenue Procedure 2016-43](#), which provides information needed to determine the maximum penalty that may be due for 2016.

Calculating the Payment

For tax year 2016, individuals will generally pay whichever of the following penalty amounts is **higher**:

- **2.5%** of the individual's yearly household income above his or her applicable filing threshold; or
- **\$695** per person for the year (\$347.50 per child under age 18).

The maximum penalty is capped at the cost of the national average premium for a bronze-level health plan available through a Health Insurance Marketplace in 2016. According to the IRS, the **monthly national average premium** for qualified health plans that have a bronze level of coverage and are offered through a Health Insurance Marketplace in 2016 is:

- **\$223 per individual**; and
- **\$1,115 for a family with five or more members**.

Social Security Requirements for Employee Name Changes

With summer wedding season now over, it's critical for employers to ensure that each employee's name and Social Security Number (SSN)--as shown on his or her Social Security card--matches the employer's payroll records and year-end Forms W-2.

Employers

If an employee legally changes his or her name because of marriage, **employers should continue to use the old name and tell the employee to contact Social Security to obtain an updated card**. Employers should change their payroll records only **after** the employee obtains an updated Social Security card with the new name. Using a new name before the employee updates Social Security's records may prevent the posting of earnings to the employee's Social Security earnings history.

Employers can use Social Security's free [Social Security Number Verification Service \(SSNVS\)](#) to match employees' names and SSNs at the time they are hired, or before the employer prepares and submits employees' Forms W-2.

Employees

Employees must take the following three steps in order to obtain a corrected Social Security card:

1. Show the required documents, including proof of identity. See [Learn What Documents You Need](#) for more information. (Under the heading "Type of Card," select "Corrected" for a list of the documents needed);
2. Fill out and print an [Application for a Social Security Card](#); and
3. Take or mail the application and documents to a [local Social Security office](#).



Our section on the [Individual Mandate \(Individual Shared Responsibility\)](#) provides information on the statutory exemptions from the individual mandate requirement.



There is no charge for a Social Security card--this service is free. For complete instructions, please [click here](#).

Top 5 Tips on Adopting and Enforcing a Time-Off Policy

Whether paid or unpaid, time-off is an important respite that allows employees to take vacations, attend to personal or family business, or simply rest and recharge. However, managers and employees alike must recognize that not every request for time off can be approved. The following are the top 5 tips on adopting and enforcing a time-off policy:

- 1. Adopt a Written Policy:** Employers should adopt a written time-off policy, detailing the amount of sick, personal, and vacation time allotted to employees and procedures for taking that time off. This policy should clarify how far in advance employees must notify their supervisors of their intention to take time off, and whether those requests will be approved based on corporate or departmental needs.
- 2. Communicate the Time-off Policy to Employees:** Communicate this time-off policy in both the employee handbook as well as on the company's internal web site, or intranet, if one exists. Employers should also communicate in writing any variances to the time-off policy that apply to specific departments or positions. When hired, an employee should sign a written acknowledgement that he or she has received and read the handbook. This acknowledgement should be placed in the employee's personnel file.
- 3. Comply with Applicable Law:** When considering whether to grant an employee's time-off request, it is necessary to comply with applicable federal, state, and local laws regarding time off and nondiscrimination. For example, employers covered by the federal Family and Medical Leave Act (FMLA) must provide eligible employees with leave for specified family or medical reasons. In addition, many laws contain specific procedures and notice requirements for both employers and employees regarding requests for time off.
- 4. Consider Flexible Work Options:** In managing employees' requests for time off, an employer should also consider whether a flexible work option is a good fit for their company. Flexible work hours can minimize inconvenient time-off requests and help managers plan for extra coverage during busy times.
- 5. Be Fair:** Time-off requests must still on occasion be denied. Remember to follow all applicable laws, and apply those laws and company policies consistently and fairly among all employees. If appropriate, the employer should explain why the request was denied and attempt to find a resolution that works for both the employee and the company.



Our [Federal Laws](#) section details the federal laws which regulate employee leave.

Marshall & Sterling Insurance will continue to provide you with updates and information regarding important issues. Should you have specific questions or need more information, please contact us.

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