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May 2013 Benefits Spotlight

HEALTHCARE

Washington regulators have been busy, at least when it comes to issuing regulations for implementing the Affordable Care Act (ACA) and the latest revisions to HIPAA. To help you sort through the new rules, we've pulled together some information that you may find helpful.

ACA Resources

There's a wealth of information on healthcare reform in the Resource Center on our website. There is a whole section devoted entirely to ACA, including all 14 of the Frequently Asked Questions. The latest set of FAQs covers revisions to the Summary of Benefits and Coverage document; you'll find links to those as well as to the revised SBC template and a sample completed SBC template in our Health Care section.

The DOL also has a webpage listing all FAQ documents on the ACA, but it can be devilishly difficult to find, so here it is, to add to your bookmarks: <http://www.dol.gov/ebsa/faqs/main.html>

ACA's employer mandate is something all employers with 50 or more employees must confront. A recent UCS webinar, Healthcare Reform-The Employer Pay or Play Rules! by attorney Mary Powell of Trucker Huss is an excellent primer on this topic. Her presentation gives lots of examples and makes the whole issue much less intimidating. She explains how to determine whether your organization would be subject to penalties under ACA and the rules for calculating full-time equivalents. There is a one-time, no fee registration required to view it. This registration gives you access to all of the recorded webinars on our website. If you prefer to have hard copy, you can download the presentation from our website.

HIPAA Links for Recently Finalized Rules - Compliance

The Department of Health and Human Services has issued rules modifying the privacy, security, breach notification and enforcement rules under HIPAA as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH) and the Genetic Information Nondiscrimination Act (GINA). You'll find a 25-page summary of the HIPAA Privacy Rule [here](#). In addition to the summary, HHS has also provided sample [business associate agreement provisions](#) on its website. The date for compliance is September 23, 2013.

For a better understanding of the implications for employers, a [recent issue of Sibson Consulting's Capital Checkup](#) discusses actions group health plans and business associates should take to ensure

compliance.

RETIREMENT

Retirement plans seem to be in the crosshairs of the media and the Obama administration. A PBS Frontline documentary that aired in April, [The Retirement Gamble](#), has raised hackles across the financial services industry. During the show, reporter Martin Smith questioned whether the retirement industry is costing workers and retirees more than they are earning from their accounts. Earlier in April, the President's budget proposal to cap retirement savings at \$3 million drew the ire of the financial press and retirement industry professionals.

The paltry levels of Americans' retirement savings have been documented by numerous studies (see the 2013 Retirement Confidence Survey, below). So we were curious about how many people would be affected by the proposed \$3 million limit. An [EBRI analysis](#) shows well under 1% of IRA/401(k) account holders would be affected by the proposed \$3 million cap (the amount needed to fund an annual benefit of \$205,000--the maximum allowed under a defined benefit plan). The analysis points out, however, that the percentage of retirement savers affected can change with inflation and interest rates and as the lifelong accumulated assets of today's younger workers reach higher levels. The more important point may be who would be affected: Is it primarily the business owners and officers who decide whether to offer a 401(k) and what the match should be?

2013 Retirement Confidence Survey

In this latest survey, confidence has slipped back to the historically low levels of 2011 after a brief uptick in 2012. Among the more disturbing findings:

- 57% of workers surveyed indicated that, excluding the value of their homes, savings and investments totaled less than \$25,000. Among the 57% are 28% who said they have less than \$1,000 saved.
- 41% of those who are eligible to contribute to an employer's plan cite cost of living and day-to-day expenses as the primary reasons they don't save more--or at all.
- 40% think the amount they need to accumulate to retire comfortably is at least \$500,000. Another 50% think the amount is less than that, including 29% who think they need to accumulate less than \$250,000!