

It Benefits You Your Employee Benefits Newsletter

June 2021

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The Heat is On!

June heralds the beginning of summer and it's warming up quickly! HR and Benefits professionals feel the burn of regulatory requirements from a multitude of different directions – COBRA, ACA, FMLA, FLSA – just to name a few! Our Compliance and HR experts are here to answer questions and provide guidance through newsletters like It Benefits You and educational webinar opportunities. Let McGriff help keep you cool this summer!

Upcoming Compliance Deadlines



Form 5500 Filing Deadline

Generally, a Form 5500 must be filed no later than the last day of the 7th month after the end of the plan year for ERISA pension and welfare benefit plans. For calendar-year plan years, this deadline is July 31. With few exceptions, an employer must file a Form 5500 if any of its ERISA benefit plans had 100 or more covered participants on the first day of the plan year.



PCORI Fee/Form 720 Deadline (Requirement Extended to 2029)

If an employer sponsors a self-insured health plan, including an employer-sponsored HRA, the ACA requires the employer to submit the annual Participant-Centered Outcomes Research (PCORI) Trust Fund Fee. The PCORI fee amount for plan years ending on or after October 1, 2020, and before October 1, 2021, is **\$2.66** multiplied by the average number of lives covered under the plan. Plan sponsors must report and pay the PCORI fee using [IRS Form 720](#). Please contact your McGriff Benefits Consultant to discuss the appropriate method to calculate the fee total using one of the IRS approved calculation method.

IMPROVING YOUR CORPORATE VALUE QUOTIENT

As Human Resource professionals, we usually have the responsibility of “training” (although I prefer to think of it as “educating”) for the employees of our companies. We conduct gap analyses, develop career paths, create educational modules, and look for opportunities for new experiences for our employees to increase their knowledge base. We look for ways to motivate workers to want to learn new things – often with success, but sometimes without. As managers, we are often given the challenge of “growing” our employees and constantly look for ways to create a purposeful link between pay and knowledge. But somewhere along the way, we ignore – or deny - our own learning needs and in so doing, we fail to improve our worth to our employer. I call this ratio of pay to comparable worth the “**Value Quotient.**”

Compensation plans tell us that a manager with X amount of education and X amount of experience should be worth X amount of salary. We then tack on any perks, benefits, and bonuses to come up with a “total compensation” figure. We confuse this amount of total compensation with our actual WORTH. We must stop that!

Remember: what we are paid and what it costs to replace us are two different things. As you probably know from experience, we often have employees whom it is cheaper to replace than to tolerate. At the end of the day, an employee’s worth is determined by what they bring to the work environment. Loyal, committed, intelligent, creative people are much harder to replace than an average employee whose main goal is to stay out of trouble and pick up a paycheck every week.

So the question becomes, how do you **INCREASE** your value to your organization? It’s really fairly simple – purpose to learn something **new** - if not every day, at least every week. How does one go about doing this? Here are few easy ways:

1. Read. Subscribe to a journal or magazine that isn’t strictly job-related. Learn about your company’s business by reading about what others in that industry are doing. Relate that information to what you do in your workplace.

2. Collaborate. Take the knowledge you’ve gleaned from #1 above and look for folks in your organization with whom you can partner to make improvements. This is especially impressive if these improvements lead to revenue growth.

3. Take a Class. Take a class for which your company doesn’t want to pay. We hear this a lot from employees: “I would have learned that, but my employer didn’t want to pay for it.” Sometimes we have to take the initiative and seek our own knowledge. That means we should budget every year to take a class that will further our education.

4. Experience. Job shadow someone in each of the departments of your company. Your eyes will be opened to actual working conditions, morale issues, and you will become much more knowledgeable about the business of your business. What better value to your organization than someone who can speak *intelligently* about the work that every employee does. It will also put you in good stead with the supervisors and managers – even executives. You will be able to “speak their language” and you will reap the rewards of that 10 times over.

In your zeal to make your department “Best in Class,” do not overlook your own development. Purposing to improve your Value Quotient can position you for promotion and/or recognition. And that will lead to an increase to your *personal* bottom line.

So...what have **YOU** purposed to learn this week? This month? This year? Opportunities abound! Be sure you don’t ignore the possibilities to increase your Value Quotient! In the meantime, pass this article along to your management team members – it applies to anyone who is pursuing opportunities to grow.

Janie Warner, SHRM-SCP

McGriff HR Advisory Practice Leader



Adding to an HSA with a Limited Purpose Flexible Spending Account (LPFSA)

Saving, investing, and retirement planning. These are just three of the perks a participant will experience when enrolled in a Health Savings Account (HSA). To be eligible for an HSA, the participant must be covered by a high-deductible health plan (HDHP) and cannot participate in both an HSA and a Health Care Flexible Spending Account (FSA).

However, participating in an HSA doesn't mean you have to miss out on the savings potential of an FSA. Limited Purpose FSAs (LPFSA) are eligible to be paired with an HSA and HDHP. An LPFSA is similar to a general-purpose Health Care FSA, with the difference being that there are fewer eligible expenses. The following three reasons show why you should pair an HSA with an LPFSA.

HSA + LPFSA: Save More Money

An HSA is a smart tool for saving on eligible medical, dental and vision expenses. However, the IRS limits how much can be contributed to the HSA. By pairing the HSA with an LPFSA the participant can contribute even more pre-tax dollars to each plan. The LPFSA can be used for dental and vision procedures while continuing to contribute the full IRS limit to the HSA.

HSA + LPFSA: Fast Access to the LPFSA

One of the differences between the HSA and FSA is when funds are available. With an HSA the funds are available once contributed to the account. With an LPFSA, all of the elected funds are available on the first day of the plan year. By pairing an HSA with an LPFSA you can access the LPFSA funds right away, allowing time to build the HSA balance. If the participant has planned future dental or vision expenses, an LPFSA makes a lot of sense.

HSA + LPFSA: Use HSA for Savings and LPFSA for Spending

An HSA is a "savings" account. While the HSA can be used to save on qualifying purchases, the HSA is at its best when used as a savings vehicle. All HSA funds carry over from year to year, unlike an LPFSA that must be "spent" before the end of the plan year. Investing HSA funds makes the HSA a valuable retirement planning account along with the 401(k) or IRA.

By choosing both an HSA and LPFSA the participant can apply eligible dental and vision expenses to the LPFSA while the HSA funds continues to grow through contributions and investment. This harnesses the long-term power of an HSA.



Paula Smith, SHRM-CP, PHR, FCS, CFC
McGriff Flexible Benefit Services

EMPLOYEE BENEFIT PLAN LIMITS FOR 2021

Many employee benefits are subject to annual dollar limits that are periodically updated for inflation by the IRS. The IRS typically announces the dollar limits that will apply for the next calendar year well in advance of the beginning of that year. This gives employers time to update their plan designs and make sure their plan administration will be consistent with the new limits.

Increased Limits:

- HSA contributions
- HDHP out-of-pocket maximum limit
- Tax exclusion for adoption assistance benefits

Unchanged Limits:

- Tax exclusion for dependent care FSA benefits
- Catch-up contributions to an HSA
- HDHP minimum deductible
- Health FSA limit for employee pre-tax contributions
- Health FSA carryover limit
- Monthly limits for transportation fringe benefit plans
- Employees' elective deferrals to 401(k) plans, pre-tax and Roth
- Catch-up contributions to a 401(k) plan

See next page for a chart outlining these changes.



Employee Benefit Plan Limits for 2021

Limit	2020	2021	Change
HSA Contribution Limit			
Self-only	\$3,550	\$3,600	Up \$50
Family	\$7,100	\$7,200	Up \$100
Catch-up contributions*	\$1,000	\$1,000	No change
HDHP Minimum Deductible			
Self-only	\$1,400	\$1,400	No change
Family	\$2,800	\$2,800	No change
HDHP Out-of-Pocket Maximum			
Self-only	\$6,900	\$7,000	Up \$100
Family	\$13,800	\$14,000	Up \$200
Health FSA			
Limit on employees' pre-tax contributions	\$2,750	\$2,750	No change
Carryover limit	\$550	\$550	No change
Dependent Care FSA*			
Tax exclusion	\$5,000 (\$2,500 if married and filing taxes separately)	\$5,000 (\$2,500 if married and filing taxes separately)	No change
Transportation Fringe Benefits (Monthly Limits)			
Transit pass and vanpooling (combined)	\$270	\$270	No change
Parking	\$270	\$270	No change
401(k) Contributions			
Employee elective deferrals	\$19,500	\$19,500	No change
Catch-up contributions	\$6,500	\$6,500	No change
Adoption Assistance Benefits			
Tax exclusion	\$14,300	\$14,440	Up \$140

*Not subject to annual adjustment for inflation

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ARE YOU PART OF A CONTROLLED GROUP, COMMON CONTROL OR AFFILIATED SERVICE GROUP?

Question: When dealing with both our qualified retirement plans, as well as our other employee benefit plans, we are constantly asked whether our company is part of a controlled group, under common control, or in an affiliated service group with other employers. They sometimes refer to this as whether we have any "related employers." How do we know if our answer should be "yes" or "no"? And what are the implications if our answer is "yes"?

Answer: Controlled group, common control, and affiliated service group rules are some of the most complex aspects of employee benefit plan compliance! For controlled groups, there are brother-sister controlled groups, parent-subsidiary controlled groups, and combined groups. Controlled-group rules apply to corporations, but there are similar "common control" rules for non-corporate entities such as partnerships, limited liability companies (LLCs) taxed as partnerships, trusts, etc. The affiliated service group (ASG) rules are often associated with professional service organizations (e.g., doctors, lawyers, architects, engineers, accountants, insurance agents) or management companies, and can take a number of forms including A-Org ASGs, B-Org ASGs, and management function group ASGs.

There are complex stock attribution rules and rules for excluding stock in making these related employer determinations. Certain related employer rules only apply for employee benefit purposes, such as inclusion of foreign entities and franchise corporations, as well as inclusion of an employer who is related for only a partial year.

In addition to the coverage and nondiscrimination rules for qualified retirement plans, related employer status also affects the following non-exclusive list:

- Internal Revenue Code (Code) Section 125 Cafeteria plan nondiscrimination testing;
- Code Section 105(h) nondiscrimination testing for self-insured group medical plans, including health FSAs and HRAs;
- Code Section 129 nondiscrimination testing for dependent care assistance plans;
- Determining whether an employer is an "applicable larger employer" under the Affordable Care Act and therefore subject to the "pay or play rules";
- Comparability rules for health savings accounts (HSAs)
- COBRA, in determining employer size for COBRA applicability, as well as issues on COBRA responsibility in mergers and acquisitions; and
- Whether a plan is a multiple employer welfare arrangement (MEWA).

To read more about these compliance concerns, as well as several additional areas of importance, [click here](#).



Anne Hensley, JD
McGriff Compliance Team
Practice Leader

Vaccinated? To Ask or Not to Ask!

Question: Can we ask employees for proof of COVID-19 vaccination?

Answer: You can ask employees for proof that they've received the COVID-19 vaccine, but you need to be careful about how you ask for it and what you do with the information.

You should ask employees to provide proof that only includes their name, the date of vaccine (and whether first or second dose, if applicable), and, if necessary, their provider's name. Asking for anything more than that could turn a simple request into a disability-related inquiry under the Americans with Disabilities Act (ADA) and should therefore be avoided.

You should also ensure that this information is kept

confidential, along with any explanations about why an employee is not vaccinated. We recommend against asking employees why they are not vaccinated, but if you are mandating vaccines, this will likely come up when one or more employees indicate that they need an exception to your policy.

Finally, make sure that you don't discriminate against employees who aren't vaccinated because of their religious beliefs or disabilities. Title VII of the Civil Rights Act protects these characteristics and requires that you make reasonable accommodations for employees whose religious beliefs or disabilities prevent them from complying with your policies.

This Q&A was provided by our valued partners at ThinkHR. Login to your McGriff ThinkHR portal at apps.thinkhr.com and ask the ThinkHR Live Advisors your COVID-19 questions!

McGriff June Webinar Opportunities

As part of McGriff's commitment to bring you information on regulatory updates, current trends and best practices, we are excited to invite you to the below live webinars scheduled during the month of June. We hope you can join us for one or more of these educational opportunities!

Key Steps and Considerations Before Initiating a Ben Admin Technology Search

June 3, 2021 | 2:00 – 3:00 pm EDT

1.0 PDC SHRM credit. To register, please [click here](#).

Searching for benefits administration (ben admin) technology is often a daunting task. With over 400 benefit administration technology and service providers in the market, the process can be time consuming and overwhelming. Join your McGriff Benefits Administration Technology Team to learn key steps and considerations that can help streamline the process. We'll take a look at:

- How ben admin technology searches don't have to be overwhelming!
- Why you should consider your payroll software capabilities and HR bandwidth before initiating your search;
- Why it is important to audit and reconcile current payroll, ben admin and carrier systems ahead of your search; and
- How carriers can be a vital resource in your ben admin search.

New HR's Role in Your Company's Code of Ethics

June 9, 2021 | 3:00 – 4:00 pm EDT

To register, please [click here](#).

June 22, 2021 | 12:00 – 1:00 pm EDT

To register, please [click here](#).

An important role of HR is to effectively lead and define expected behavior, culture, and values in your organization. The Code of Conduct and Business Ethics for your company is the written guide and agreement on how employees should act on a day-to-day basis. Join us as our friends at Ogletree Deakins law firm discuss HR's role in preparing the key components of a Code of Ethics, messaging, training, and enforcement.

McGriff Sponsored ThinkHR Demo

June 15, 2021 | 2:00 pm EDT

To register, please [click here](#).

We are excited to bring our Employee Benefits clients ThinkHR — a robust web-based resource with live advisors, reliable content and interactive technology solutions that provides an end-to-end People Risk Management solution! If you are involved with HR compliance or employee issues at any level, this will be another valuable benefit from your trusted McGriff team that can save you time and money. Join us for a brief overview of ThinkHR and its benefits available to you as a McGriff Employee Benefits client.

Welfare Compliance 101

June 16, 2021 | 3:00 – 4:00 pm EDT

To register, please [click here](#).

In this webinar, the attorneys at Ogletree Deakins will walk you through the document, notice, distribution, and reporting obligations you have as an employer for your welfare benefit plans. McGriff Insurance will also provide you with an at-a-glance compliance chart so you are sure not to miss any of these obligations and deadlines for your company's welfare benefit plans.

Don't Let "Out of Sight, Out of Mind" Hurt Remote Workers

June 17, 2021 | 2:00 – 3:00 pm EDT

To register, please [click here](#).

Employers have a duty to ensure the health and safety of their remote workers just as they do for employees working on-site. With more employees telecommuting, Stephanie K. Rawitt with Clark Hill PLC will discuss best practices for setting expectations, conducting health and safety self-assessments and implementing communication strategies for keeping employees safe and top of mind.

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