



COMPLIANCE BULLETIN

CONGRESS PASSES NEW \$1.4 TRILLION STIMULUS & COVID-19 RELIEF BILL AND AWAITS PRESIDENT'S SIGNATURE

Details have emerged on the new \$1.4 trillion omnibus spending bill which provides a \$900 billion COVID-19 Stimulus package. The bill awaits President Trump's signature and as of last night, he requested that Congress amend the bill to increase the amount of stimulus checks. In the meantime, below highlights many important facets of the bill as it stands now relating to employers and the benefits industry, but as more information becomes available, we will provide subsequential communications.

In relation to employee benefits, the bill includes relief for employees participating in Flexible Spending Accounts (FSA), a surprise-billing ban, and additional transparency provisions:

- **Flexible Spending Accounts (FSAs):** Employees will be able to rollover unused amounts in their health and dependent care FSAs from 2020 to 2021 and from 2021 to 2022. Employers are also allowed to provide employees the ability to make a 2021 mid-year prospective change in contribution amounts.
- **Surprise-Billing Ban:** This provision of the bill looks to hold patients harmless from surprise medical bills by ensuring they are only responsible for their in-network cost-sharing amounts in both emergency and some non-emergency situations where patients have no in-network provider available. There are also parts that may require arbitration in which the arbiter will be able to use median in-network rates.
- **Transparency** – Healthcare transparency has been a hot topic in D.C., especially as of late, and this bill includes additional provisions to drive it home. The bill includes reporting requirements for disclosure of direct and indirect compensation for brokers and consultants to both employer-sponsored and individual plans. It is unclear how this provision will interact with the current disclosure rules relating to 5500's.

The package also includes COVID-19 relief in the form of additional PPP funding, direct stimulus checks, additional unemployment benefits, and funds for vaccine distribution & testing.

- **Paycheck Protection Program (PPP) Funding:** \$284 billion is included in the bill for Paycheck Protection Program loans with additional provisions that the employer needs to have fewer than 300 employees, can prove their revenue has fallen by 25%, and a second PPP loan is capped at \$2 million.
 - It seems the bill has also provided clarity that employers receiving loans can claim deductions for expenses covered by the proceeds.
- **Stimulus Checks:** Stimulus checks are provided for taxpayers in the following amounts and conditions:
 - \$600 direct stimulus checks for individuals making up to \$75,000, \$1,200 per married couple making up to \$150,000, and \$600 per dependent child.

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- **Additional Unemployment:** The bill approves an additional \$300 per week for anyone receiving unemployment benefits through March 2021.
- **Vaccine Distribution:** \$69 billion is included for vaccine distribution, coronavirus testing and contact tracing.

There are many more provisions within the bill such as an extension of a tax credit for employers that keep employees on payroll, deductions for business meals, and more. It is important to note that while this was a long-anticipated bill that provides much relief and answered many questions, it was rushed in order to come to an agreement before the holidays, so it has left much to be clarified. Please stay tuned as Innovative continues to analyze the more than 5,500 pages and communicates any clarifications and provisions that affect our clients or the employee benefits industry. For questions, please contact Innovative Benefit Planning at icomply@ibpllc.com

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