

# Payrollnews

October 2018

## Payroll Processing Changes Could Be on the Horizon for HSAs & FSAs

**A**t Data Management Payroll Services, we make sure our clients have the facts about recently passed bills that may become laws, especially when they affect payroll processing.

On July 25, 2018, Congress passed two key pieces of legislation: **H.R. 6311** and **H.R. 6199**, regarding rules for health savings accounts (HSAs) and flexible spending accounts (FSAs) for high deductible health plans (HDHPs).

The current House Bills in the Senate would allow the Congress to amend the IRS Code of 1986 and the Patient Protection and Affordable Care Act, as well as reduce individual health care premiums.

It's the perfect time to sign-up with **DMPS**. If these two bills become law, they could affect your payroll processing and the rules governing your employees' health savings accounts.

The first bill, H.R. 6311 would expand covered items and usage of HSAs, change contributions limits, and may allow additional contributors as well as plan-year rollovers.

### H.R. 6311

*Increasing Access to Lower Premium Plans and Expanding*

*Health Savings Accounts Act of 2018* would expand the use of health savings accounts (HSAs) and lowers premiums on health care plans.

Nine sections in H.R. 6311 outline proposed changes, including updating pre-tax

tax contributions maximum of \$6,900.

Contributors may now include the employees' spouses over 55. They would be able to contribute \$1,000 per year as a catch-up contribution in an HSA in their family health plan.

Working seniors with Medicare Part A, and also covered by a high deductible health plan (HDHP), would now be able to contribute to HSAs.

The second bill, H.R. 6199 outlines and expands HSA usage for employees, and would change the

contribution limits for HSAs and options to carry-over FSA balances into the next plan year, with limitations.

### Contributions

The bill would raise the maximum HSA pre-tax contribution amount. An individual's max would increase to \$6,650, up substantially from the current \$3,450.

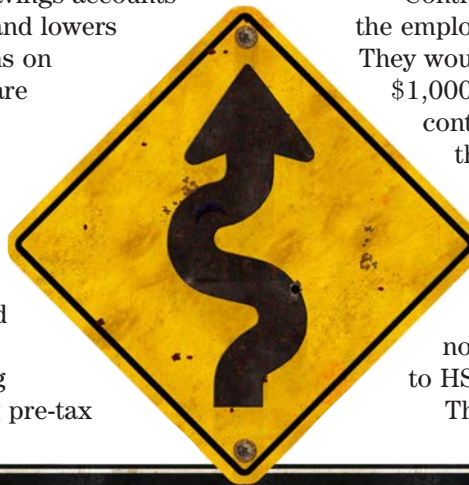
Families could contribute up to a maximum of \$13,300 pre-tax, almost doubling the current pre-

current rule of prohibiting HSA contributions for spouses of current FSA account-holders.

### H.R. 6199

*Restoring Access to Medication and Modernizing Health Savings Accounts Act of 2018* will provide relief from the Affordable Care Act tax on over-the-counter medications and modernize health savings accounts (HSAs).

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**CHANGE AHEAD**

## Changes...

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### Expanding Usage of HSAs

Over-the-counter medications and products would no longer be banned from HSA usage, allowing employees to utilize their health accounts for expanded items and expenses.

### HDHP Coverage Changes

Changes would also include existing high deductible health plans (HDHPs) to cover up to \$250 (self-only) and \$500 (family) for non-preventative and chronic-care services that may not be covered before the deductible is satisfied.

When we process your payroll, DM Payroll Services has you covered. We've got the facts and we'll keep you updated on any changes to current laws that affect your payroll.

Be sure to click the Source links for more information and details about the proposed changes.

Check out our complete list of payroll processing and human resources services to find out all the ways **DMPS** can help.

Don't wait – let's get started – call us today.

Sources: <https://policy.house.gov/legislative/bills/hr-6199-restoring-access-medication-and-modernizing-health-savings-accounts-act>,  
<https://policy.house.gov/legislative/bills/hr-6311-increasing-access-lower-premium-plans-and-expanding-health-savings>,  
<https://www.govtrack.us/congress/bills/115/hr6199/text>,  
<https://www.govtrack.us/congress/bills/115/hr6311/text>.

## Today's Employer-Sponsored Health Plans

According to the Mercer National Survey, "These days, managing a health benefits program means managing change. Healthcare benefits must serve the evolving needs of employees and their families, support the organization's short- and long-term objectives, and adapt to the rapid-fire change – even paradigm shifts – occurring in the healthcare market and in healthcare policy."

**Check out the Mercer National Survey of Employer-Sponsored Health Plans filled with information on Today's Biggest Challenges for Health Benefits facing employers.**

Source: <https://www.mercer.us/reports/mercer-national-survey-introduction.html>

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Through *Payroll News*, Data Management Payroll Services may provide general information on legal developments related to payroll administration. If such developments appear relevant to your specific situation, you should discuss them with your professional advisor before taking any action.