

PCORI Fees Due by August 1st for Employers Sponsoring HRAs and Other Self-Insured Plans

As a reminder, fees to fund the Patient-Centered Outcomes Research Institute (PCORI) are **due no later than August 1, 2016** from employers who sponsor certain self-insured health plans, including health reimbursement arrangements (HRAs) that are not treated as excepted benefits. Under Health Care Reform, PCORI fees are imposed for each plan year ending on or after October 1, 2012, and before October 1, 2019.

How to Calculate the Fee

For plan years ending on or after October 1, 2015 and before October 1, 2016, the fee for an employer sponsoring an [applicable self-insured plan](#) is **\$2.17** (\$2.08 for plan years ending on or after October 1, 2014 and before October 1, 2015) **multiplied by the average number of lives covered under the plan.**



Permissible methods for determining the average number of lives covered under a plan are explained in [IRS guidance](#).

Reporting and Payment Deadline

In general, plan sponsors of applicable self-insured health plans are required to report and pay the fee no later than July 31st **of the calendar year immediately following the last day of the plan year to which the fee applies.** However, **because July 31st falls on a Sunday this year, the due date is August 1, 2016.** Fees are reported and paid using [IRS Form 720](#), *Quarterly Federal Excise Tax Return*.

Our section on [PCORI Fees for Self-Insured Plans](#) provides more information.

Increased Penalty for Violating EEOC Posting Requirements

Effective July 5, 2016, the maximum penalty for employers violating the notice-posting requirements under certain nondiscrimination laws enforced by the U.S. Equal Employment Opportunity Commission (EEOC) **increases from \$210 to \$525 for each separate offense.**

The "EEO Is The Law" Poster

Employers with **15 or more employees** who have worked for the employer for at least 20 calendar weeks (in this year



or last) are required to post a notice describing the [federal laws](#) prohibiting job discrimination based on race, color, sex, national origin, religion, age, disability, or genetic information. The notice must be posted in a conspicuous location in the workplace where notices to applicants and employees are customarily maintained.



Posting Guidelines and Tips

The EEOC provides the following additional guidelines and tips for employers regarding the required ["EEO Is The Law" poster](#):

- In addition to posting the notice, employers are encouraged to display the electronic notice on their **internal websites** in a conspicuous location. In most cases, electronic posting supplements physical posting but **does not itself fulfill the basic obligation** to physically post the required information in the workplace. In some situations (e.g., for employees who telework and do not visit the employer's workplace on a regular basis), electronic posting **may be required in addition** to physical posting.
- The **Americans with Disabilities Act** requires that notices of federal laws prohibiting job discrimination be made available in a location that is accessible to applicants and employees with disabilities that **limit mobility**.
- Printed notices should also be made available in an accessible format, as needed, to persons with disabilities that **limit the ability to see or read**. Notices can be recorded on an **audio file**, provided in an electronic format that can be utilized by **screen-reading technology**, or **read to applicants or employees** with disabilities that limit seeing or reading ability.

Note that many states have their own nondiscrimination laws with notice-posting requirements that apply to smaller employers.

To learn about other federal notices required to be displayed in the workplace, visit our section on [Federal Poster Requirements](#).

5 Must-Have Forms and Records for New Hires

As an employer, one of your most important responsibilities when hiring new employees is to complete and secure necessary forms and records. The following are key requirements under federal law:

1. **Form I-9:** Federal law requires employers to verify that each new employee is legally eligible to work in the United States. Within 3 business days of the date employment begins, employers must complete and sign Section 2 of [Form I-9, Employment Eligibility Verification](#), using original documents presented by the employee that show his or her identity and authorization to work in the U.S.
2. **Employee's Social Security Number (SSN):** Employers are required to get each employee's name and SSN for purposes of completing year-end Forms W-2. After an employee is hired, the employer should ask to see his or her social security card and record the new employee's name and SSN from the card. Any employee without a social security card should apply for one.
3. **Form W-4:** To know how much income tax to withhold from employees' wages, employers should have a [Form W-4, Employee's Withholding Allowance Certificate](#), on file for each employee. Ask all new employees to give you a signed Form W-4 when they start work, and make the form effective with the first wage payment.



4. **New Hire Reporting:** Federal law requires that employers report any new employee to a designated state new hire registry within 20 days (or shorter, depending on the state) of the date of hire. Many states accept a copy of Form W-4 with employer information added. The federal government maintains a list of links to [state agencies](#) where employers can learn more about reporting new hires and the specific requirements they must meet.
5. **Notice of Coverage Options (Exchange Notice):** Employers are required to provide each new employee a written notice with information about a Health Insurance Exchange at the time of hiring, within 14 days of the employee's start date. [Model language](#) is available from the U.S. Department of Labor.

Keep in mind that many states require additional forms and other records to be completed when a new employee begins work. Certain states and localities may also require employers to provide specific notices to newly hired employees.

Other key steps in the new hire process are featured in our [Onboarding](#) section.

Sample Notice Helps Employers Comply With New ADA Wellness Program Rules

A [sample notice](#) is now available from the U.S. Equal Employment Opportunity Commission (EEOC) to help employers satisfy new requirements for wellness programs under the federal Americans with Disabilities Act (ADA). The ADA applies generally to employers with **15 or more employees** who worked for the employer for at least 20 calendar weeks (in this year or last).

New ADA Wellness Program Notice

Among other things, the new rules require employers offering wellness programs that collect employee health information to provide a notice to employees informing them what information will be collected, how it will be used, who will receive it, and what will be done to keep it confidential.



The requirement to provide the notice takes effect as of the first day of the plan year that begins **on or after January 1, 2017**. Employees must receive the notice before providing any health information, and with enough time to decide whether to participate in the wellness program.

Q&As Provide Additional Guidance

To help employers comply with the new notice requirement, the EEOC also released a set of [Q&As](#) which clarify, among other things:

- Who must provide the notice;
- The format in which the notice should be provided;
- Whether an employee's signed authorization is required as part of the notice requirement; and
- Whether the current notice required under the federal Health Insurance Portability and Accountability Act (HIPAA) satisfies the new notice requirement under the ADA.

More information on the new ADA rules is available in previously released [Q&As](#) and a [fact sheet](#) from the EEOC.

Visit our section on [Wellness Programs](#) for additional details.

Tips for Keeping Employees Motivated During the Summer

The warm weather and eagerly anticipated outdoor activities of summer may take a toll on your workers' concentration. If you're noticing a lack of focus among your employees during this time of year, consider the following ideas to help keep them motivated:



- **Encourage employees to step outside for at least 15 minutes each day.** Exposure to natural sunlight can prevent workers from feeling confined to the office during the warm summer months. Encourage employees to take a brisk walk, and consider holding business meetings outside to help boost morale.
- **Change things up!** Employees may become more motivated when their jobs are more challenging and interesting. Consider lateral moves to build your workers' skill levels and knowledge base.
- **Create opportunities for casual interaction.** A company sports team, a family day, or an outdoor after-hours social event can keep your employees engaged and interested in each other and in their workplace.
- **Consider flexible working arrangements.** Arrangements such as flextime or staggered work hours may allow employees to enjoy summer activities and attend to family obligations, while coming to work refreshed. It's a good idea for employers to work with a knowledgeable employment law attorney when creating policies on flexible working arrangements, to ensure policies and practices are in compliance with the law and do not unlawfully discriminate against certain employees.

Our section on [Motivating Employees](#) offers additional strategies to help you motivate your workers at any time of year.

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