



Fringe Benefit Plans, Inc.
Since 1969

January 2018
Happy New Year!

COMPLIANCE CORNER

IRS Extends Deadline to Supply ACA Forms to Employees

The IRS extended by 30 days (until March 2, 2018) the due date for distributing Affordable Care Act (ACA) information forms 1095-C or 1095-B to employees. The due dates for filing these forms with the IRS, however, were not extended and remain Feb. 28 for paper filers and April 2 for electronic filers. Filing is required by Applicable Large Employers and small employers who are self-insured.



The Tax Reform Bill was signed into law by the president on December 22, 2017.

Changes for 2018 include:

- Repeals the exclusion for employer-provided qualified moving expenses, except for members of the armed services;
- Repeals the exclusion for employer-provided bicycle commuter expenses; and
- Modifies the rules for excluding employee achievement awards. This change prohibits items such as cash and gift cards.

Business tax changes

The tax reform bill contains numerous provisions affecting businesses, which take effect in 2018 with no sunset date.

- Reduces the corporate tax to a 21 percent flat rate from today's progressive tiered tax rate, which generally ranges from 15 to 35 percent. This was an increase from the flat 20 percent rate proposed previously in both chambers.
- Repeals the corporate Alternative Minimum Tax.
- Permits deductions for qualified business income for pass-through entities (partnerships, LLC's, sole proprietors, S corporations) of up to 20 percent. Complex rules and limitations apply. This deduction was lowered (previously 23%) and several rules/thresholds were altered, from what passed the Senate earlier this month. The provision falls under the individual tax code, and thus would sunset in 2026 without additional legislative action.
- Allows a tax credit for certain employers that provide paid family and medical leave to their workforce. The credit ranges from 12.5 percent to 25 percent of wages paid. The amount of the credit incrementally increases from 12.5 percent as the employer's payment under this arrangement exceeds 50 percent of normal wages paid. The credit is only available for wages paid in 2018 and 2019. The bill contains specific criteria and detailed definitions; one clarification carves out the amounts employers must contribute to a paid-leave policy under state or local leave laws. Businesses would need more guidance to sort out some remaining questions, and forms to calculate and file for the credit.
- Disallows business deductions for settlements and costs of settlements that relate to sexual harassment or sexual abuse, if settlements are subject to nondisclosure agreements.
- Repeals the special rule that allows re-characterization of individual retirement account (IRA) contributions between Roth and traditional IRAs. However, there is a carve-out to this rule.

Employers will need to adjust their income tax withholding for employees with new withholding tables once the Internal Revenue Service (IRS) releases them. The IRS has indicated that it needs time to evaluate the tax changes, so new tables likely won't be available before January, when the changes take effect. Once the IRS releases the withholding tables, employers will have a transition period in which they can use the old withholding tables while testing the new tables in their payroll systems.

Given the bill's significant shift away from personal exemptions and itemized deductions, it's likely that the W-4 form

will also require revision. We don't yet know what employers will have to do if the IRS releases a new W-4. The IRS will have to provide guidance on this and many other items for businesses and employees alike. So... stay tuned! For the full article [CLICK HERE](#)

COMMUNICATING WELLNESS

January is National Blood Donor Month

Since 1970, January has been known as National Blood Donor Month. It's a time when blood organizations like the American Red Cross pay tribute to the nearly 11 million people who give blood each year, and encourage others to start the New Year off right by giving the gift of life.



"Blood donors bring hope and promise to hospital patients who may need blood for their very life," said Diane E. Ward, CEO for the Southeastern Michigan Blood Services Region of the American Red Cross. "Donors are people like you who play a vital role in modern health care by helping ensure hospitals have blood for patients."

January is a challenging time for blood donation because busy post-holiday schedules can make it difficult for blood donors to keep appointments. Regardless of the time of year, hospital patients nationwide need about 44,000 blood donations daily for cancer care, surgeries, and the treatment of serious diseases and trauma.

The Red Cross encourages donors to make and keep appointments, both for convenience and to reinforce the feeling of commitment. Community members can also contribute to the blood supply by organizing or volunteering at a blood drive, or by suggesting blood donation to their family and friends. Why not host a blood drive at your company?

For donation locations or to host a blood drive [CLICK HERE](#)

CONSULTING

IRS to Begin Enforcing Penalties for 2015 ACA Reporting Year

The time has come, the IRS has stated that they are going to begin enforcement of the Affordable Care Act's (ACA) employer mandate penalties as soon as the end of 2017. During the tax years 2015 and 2016, the Employer Shared Responsibility law was seen as "practice" by the IRS and no penalties were imposed as long as employers could prove that they made a good faith effort to comply with the law. That is changing. According to the IRS's recently updated Questions and Answers on Employer Shared Responsibility Provision Under the Affordable Care Act (FAQs 55-58), the IRS plans to issue notices for assessment of penalties in "late 2017" to Applicable Large Employers (ALEs) based on the 2015 calendar year.



This notice will come in the form of a letter (Letter 226J), and the determination of whether an ALE may be liable for the Employer Shared Responsibility Payment (ESRP) will be made based, in part, on the ALE's reporting on IRS Forms 1094-C and 1095-C and whether or not one of the ALE's full-time employees identified on Form 1095-C was allowed the Premium Tax Credit (PTC) on his or her individual income tax. It's important to note that in 2015, only employers with 100 full-time employee equivalents were considered ALEs. This provides relief to companies with less than the 100 FTE (full-time-equivalent) threshold.

COMMUNITY SERVICE

Though United Arts' campaign for the Irma Arts Fund has concluded, Central Florida's arts and cultural organizations still need your support recovering from lost revenues and ticket sales caused by the Hurricane.



You can do your part simply by going out to enjoy an exhibit or experience a performance at your favorite Central Florida arts and cultural organizations .

For more information [CLICK HERE](#)

CEO CORNER

January ushers in excitement and expectations for more discipline, slimmer waist lines, and new relationships. For many, it is a time for goal setting... hence the term "New Year's Resolutions". Setting realistic, attainable goals can produce great results, especially when you make a realistic plan and have an accountability partner. Here's to a healthy and prosperous year for all in 2018!

'Happy New Year! - Doug Foreman

Character is doing the right thing when nobody's looking.
J.C. Watts



Doug C. Foreman, Chief Executive Officer
Doug@FBPlans.com

Tina M. Craft, Vice President of Sales
TCraft@FBPlans.com

Scott Bunkers, Benefits Consultant
Scott@FBPlans.com

We are committed to serving and supporting
your Employee Benefits program.

Give us a call today!
(407) 862-5900

STAY CONNECTED

