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## Final Employer Pay or Play Regulations Issued

On Feb. 12, 2014, the U.S. Treasury Department published [final regulations](#) implementing the Affordable Care Act's (ACA) employer shared responsibility provisions. The ACA imposes a penalty on applicable large employers (ALEs) that do not offer minimum essential coverage to full-time employees and their dependents.

The final rules include several important extensions and clarifications.

### Delay for Medium-sized Businesses

The employer shared responsibility provisions apply only to ALEs that have 50 or more full-time employees. However, the final rules

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## Final Rules on the 90-day Waiting Period Limit

The Affordable Care Act (ACA) prohibits group health plans and issuers from applying waiting periods in excess of 90 days for plan years starting Jan. 1, 2014, or later.

On Feb. 20, 2014, the Departments of Labor (DOL), Health and Human Services (HHS) and the Treasury (the Departments) released [final regulations](#) on the 90-day waiting period limit. These regulations generally finalize provisions in proposed regulations issued in March 2013, with some changes.

At the same time, the Departments released a separate [proposed rule](#) regarding a new provision permitting orientation periods under the 90-day waiting period limit.

A waiting period is the period of time that must pass before coverage becomes effective for an employee or dependent who is otherwise eligible to enroll in the plan. Under the ACA, all calendar days are counted beginning on the first day of the waiting period, including weekends and holidays. However, if an individual enrolls as a late enrollee or special enrollee, any period before the individual's late or special enrollment is not a waiting period.

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## Pay or Play Regulations Issued

delay implementation for medium-sized ALEs, or those with 50 to 99 full-time employees, that are covered by the employer mandate. Applicable ALEs will have an additional year, until 2016, to comply with the pay or play rules.

## Extension of 2014 Transition Relief

Several additional forms of transition relief available in 2014 have been extended to 2015 under the final regulations, including:

- Using a shorter six-month reference period to determine the number of full-time or full-time equivalent (FTE) employees at an organization
- Allowing employers to begin compliance with the mandate at the beginning of their 2015 plan year instead of automatically on Jan. 1, 2015, provided certain conditions are met
- Allowing employers to delay coverage for the dependents of FTEs until 2016 if they are taking steps to arrange for eventual coverage

## Provisions for Businesses That Offer Coverage to Most, But Not All, Employees in 2015

The final rule graduates a provision that all ALEs offer coverage to at least 95 percent of their FTEs across two years beginning in 2015.

Also included in the final rules is a clarification of full-time status for certain groups, including volunteers, educational employees, seasonal employees, students in work-study programs and adjunct faculty.

## 90-day Waiting Period Limit

Among the additions to the final rules are the following:

- A one-month orientation period is a permitted eligibility condition.
- Rehired employees may be required to satisfy the waiting period again.

The one-month maximum is part of a separate proposal expanding on the final rules that allows a reasonable and bona fide employment-based orientation period to be a condition for eligibility.

The final regulations apply for plan years beginning on or after Jan. 1, 2015. For plan years beginning in 2014, the Departments will consider compliance with either the 2013 proposed regulations or the final regulations to constitute compliance with the 90-day waiting period limit requirement.

## 2013 Employee Benefits Benchmark Survey

The results of the 2013 Employee Benefits Benchmark Survey are in, and there appear to be a few clear trends at play. Employer-sponsored health care insurance remains at near-universal levels among employers. Other types of shared insurance benefits have declined slightly, while voluntary (employee-pay-all) offerings seem to have increased and diversified. Four out of 5 employers now offer defined contribution pension plans, compared to nearly one-fifth that offer defined benefit pension plans.

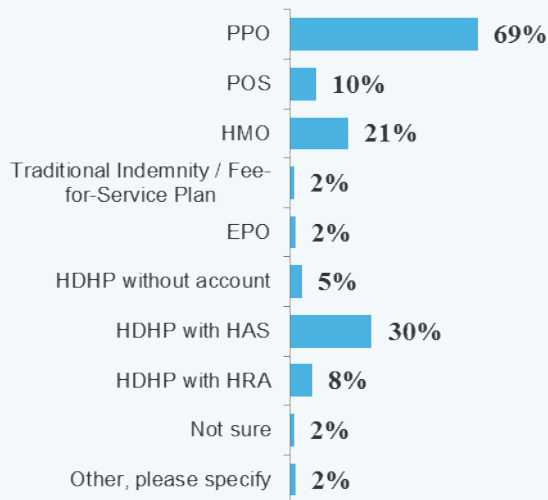
According to this year's survey, high deductible health plans (HDHPs) with health savings accounts (HSAs) continue to gather momentum among employers and have now overtaken health maintenance organizations

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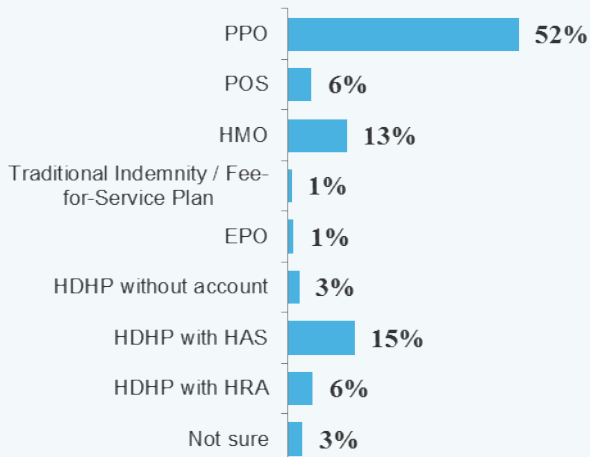
## 2013 Employee Benefits Benchmark Survey

(HMOs) as the second-most popular health plan for employees. However, despite the gains in popularity, employees are only signing up for HDHPs at half the rate at which they are offered. Contact Brown & Brown Benefit Advisors for more information or a complete copy of this year's survey.

### Percent of employers offering plan:



### Plan type in which the majority of participants are enrolled:



## Religious Garb and Grooming in the Workplace: Rights and Responsibilities

The U.S. Equal Employment Opportunity Commission (EEOC) recently released [answers](#) to frequently asked questions regarding the application of federal employment discrimination law to religious dress and grooming practices, and what steps employers can take to meet their legal responsibilities in this area.

Examples of religious dress and grooming include wearing religious clothing or articles (for example, a Muslim hijab (headscarf), a Sikh turban or a Christian cross); observing a religious prohibition against wearing certain garments (for example, a Muslim, Pentecostal Christian or Orthodox Jewish woman's practice of not wearing pants or short skirts); or adhering to shaving or hair length observances (for example, Sikh uncut hair and beard, Rastafarian dreadlocks or Jewish peyes (sidelocks)).

Religious garb and grooming is protected under Title VII of the Civil Rights Act of 1964, as is freedom from retaliation if an employee complains of discrimination. In most instances, employers are required by federal law to make exceptions to their usual rules or preferences to permit applicants and employees to observe religious dress and grooming practices.

Typically, the employer will advise the applicant or employee of its dress code or grooming policy, and subsequently the applicant or employee will indicate that an exception is needed for religious reasons.

There may be state or local laws in your jurisdiction that have protections that go beyond those in Title VII. For a full listing of FAQs and examples, please contact your Brown & Brown Benefit Advisors representative for more information.

*The information contained in this newsletter is not intended as legal or medical advice. Please consult a professional for more information.*  
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