

<p><b>Taxable Years Beginning After December 31, 2010</b></p>	<p>Requires reporting on W-2s of the aggregate cost of employer-sponsored health benefits If employee is covered under multiple plans (i.e., medical, dental and vision), employer must disclose the aggregate value of all plans Includes any portion paid by employee Excludes: All contributions to HSAs and Archer MSAs Salary reduction contributions to FSAs Cost of OTC medications that do not have a doctor's prescription may no longer be reimbursed under an: FSA HRA HSA</p> <ul style="list-style-type: none"> <li>o Archer MSA</li> </ul>
<p><b>January 1, 2011</b></p>	<p>Provide rebate to policyholders if an insurer's medical loss ratio is not at least 85% (80% for individual and small group market) Increases to 20% the penalty tax on distribution from an HSA or Archer MSA that are not used to pay qualified medical expenses (current penalty tax is 10% for HSAs and 15% for Archer MSAs) Employers with ≤ 100 employees will be allowed to adopt new "simple cafeteria plans" Must satisfy minimum participation and contribution requirements Plans treated as meeting the nondiscrimination requirements that would otherwise apply to the cafeteria plan CLASS Act – creates a new public long-term care program and expects employers to auto-enroll employees (unless employee opts out) and collect payroll deductions</p>
<p><b>January 1, 2012</b></p>	<ul style="list-style-type: none"> <li>• Effective for payments made after 2011, persons engaged in a trade or business (including non-exempt corporations) must report on Form 1099 all payments in excess of \$600 made to any payee (including non-exempt corporations)</li> </ul> <p>Expands payments subject to reporting to include the amount of gross proceeds paid in consideration for property or services to non-exempt corporations</p>
<p><b>March 23, 2012</b></p>	<p>Health plans (insured and self-funded, including grandfathered) must begin providing new enrollees and re-enrollees with a summary of benefits and coverage explanation Must provide a summary of benefits and a coverage explanation to: All applicants at the time of application To all enrollees prior to the time of enrollment or re-enrollment All policyholders or certificate holders at the time of issuance of the policy/certificate Must include specific information determined by the Secretary of DHHS in consultation with the National Association of Insurance Commissioners; these standards will be developed by March 23, 2011 Must notify all of the above if any material modifications in coverage are made Notice must be provided at least 60 days prior to the effective date of the modification If fail to provide summary of benefits and coverage explanation or notice of material modification, plan can be fined up to \$1,000 for each failure</p> <ul style="list-style-type: none"> <li>• These notification requirements are in addition to ERISA-required summary plan description</li> </ul>
<p><b>Taxable Years Beginning on or After January 1, 2013</b></p>	<p>Increase Medicare payroll tax by 0.9% (no indexing of inflation, for a total of 2.35%) on wages in excess of: \$200,000 – single filers \$250,000 – married filing jointly Employers must withhold on wages paid to any employee in excess of \$200,000, regardless of the employee's filing status or spouse's income Impose a new Medicare tax on individuals equal to 3.8% (no indexing for inflation) on the lesser of (i) net investment income (including interest, dividends, royalties, rents and passive income) or (ii) the excess of modified gross income over the threshold amount (\$250,000 for married filing jointly; \$200,000 for single filers) Limit the amount of salary reduction contributions to a health FSA offered through a cafeteria plan to \$2,500 (subject to indexing)</p> <ul style="list-style-type: none"> <li>• Eliminate the tax deduction for employers who receive Medicare Part D retiree drug subsidy payments</li> </ul>