APPENDIX

Appendix

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Laws That Govern Benefits

LAWS THAT GOVERN BENEFITS	
Section 125	Section 125 of the IRS code: Allows for pre-tax benefits as long as you don't discriminate against highly compensated employees. You risk the pre-tax status of ALL plans if you are discriminatory.
401(k) / 401(a) / 457(b) ***$160,000—HCE Definition for 2026**	Sections of the IRS tax code that established pre-tax retirement savings plans for private and public employers; plans cannot favor highly-compensated employees*
ACA—The Affordable Care Act	Eliminated pre-existing condition restrictions, eliminated the "must be in college" rule for children up to age 26, implemented the individual mandate (unconstitutional) and the Cadillac Tax (later eliminated)
ADA/ADAAA—Americans with Disabilities Act/Amendments Act	Cannot discriminate against those with a disability or those who are "perceived" to have a disability; requires interactive dialogue with employee regarding their condition, and additional unpaid time off can be a reasonable accommodation
CAA—Consolidated Appropriations Act	Created numerous COVID-era tax relief provisions. Many provisions have expired, but several provisions remain, including RxDC reporting.
CHIP/CHIPRA—Children's Health Insurance Program (1997)	Provided health insurance coverage for children of low-income families (1997). Current funding for CHIP expires at the end of fiscal year 2027.

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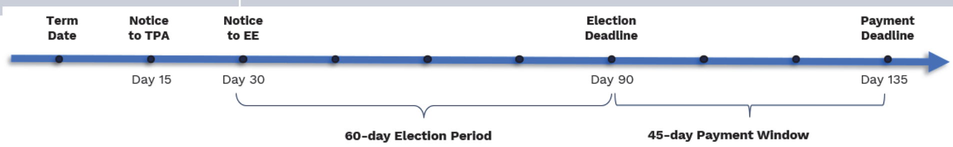
LAWS THAT GOVERN BENEFITS	
COBRA—Consolidated Omnibus Budget Reconciliation Act	Permits for the continuation of coverage following termination of employment, for either 18, 29 or 36 months: **18 Months:** Standard resignation or termination of employment **29 Months:** Disability within the first two months of COBRA **36 Months:** For a surviving spouse/children or divorced spouse COBRA cost is **102%** of the cost of coverage (EE + ER + 2%). Disabled individuals **can** be charged **150%** of the cost of coverage, but ONLY during the 11-month extension period. **COBRA DEADLINES IF YOU MANAGE YOUR OWN COBRA:** You have 30 days to send a COBRA notice to participant. **COBRA DEADLINES IF YOU HAVE A COBRA VENDOR:** You have 15 days to notify your COBRA vendor of termination. Your vendor has 15 days to send a COBRA notice to participant. Once COBRA notice is issued, participant has **60 days to elect**. Once participant elects, they have **45 days to pay**. Payment is retroactive to the first month of lost coverage.



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LAWS THAT GOVERN BENEFITS	
ERISA—Employee Retirement Income Security Act of 1974	ERISA sets minimum standards for most voluntarily established pension and health plans in private industry. Its primary purpose is to protect individuals participating in these plans by ensuring they receive the benefits promised by their employers. ERISA imposes requirements on plan administrators regarding transparency, accountability, and fiduciary responsibilities. It also provides participants with the right to sue for benefits and breaches of fiduciary duty, while setting out requirements for reporting and disclosure to the government and plan participants.
FMLA—Family and Medical Leave Act	Provides job-guaranteed, **unpaid** time away from work for the serious health condition of yourself, a child, a parent (in-law) or a spouse. • In Loco Parentis (someone acting in place of a parent) • 12 weeks of job-protected leave (calendar year vs. FMLA year) • Unpaid leave • Guaranteed to return to the same level of pay, benefits and responsibilities you had prior to taking leave • Retaliation is against the law
GINA—Genetic Information Nondiscrimination Act	An employer cannot ask any questions about health history or genetic information that could possibly be used to discriminate on coverage election decisions
HIPAA—Health Portability / Privacy / Security	**Portability:** Coverage must be portable (ACA made this unnecessary) **Privacy:** Health information must be kept private **Security:** Health data must be private; must appoint a Chief Privacy Officer

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Laws That Govern Benefits

LAWS THAT GOVERN BENEFITS	
MHPAEA—Mental Health Parity and Addiction Equity Act	Mental Health visits must be treated the same as any other health condition, cannot set a maximum visit limit for mental health issues • **WRONG:** Unlimited medical visits + 20 mental health visits • **RIGHT:** 20 medical visits + 20 mental health visits • **RIGHT:** Unlimited medical visits + unlimited mental health visits MHPAEA requirements generally apply to self-funded, fully insured, grandfathered, and non-grandfathered plans that offer MH/SUD benefits. Some group health plans are exempt from MHPAEA requirements: • Self-funded plans with 50 or fewer employees; • Plans offering only excepted benefits (e.g., vision or dental plans); and • Retiree-only plans. Fully insured employer plans with 50 or fewer employers are generally required to comply with MHPAEA by satisfying the essential health benefit (also known as "EHB") requirements of the ACA. **NQTL: Non-Quantitative Treatment Limits—**Your plan must treat non-quantitative treatments equally between medical/surgical benefits and mental health / substance use disorder benefits • Compliance for fully-insured plans is the responsibility of the carrier Fact Sheet: Final Rules under the Mental Health Parity and Addiction Equity Act (MHPAEA) | U.S. Department of Labor

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Laws That Govern Benefits

LAWS THAT GOVERN BENEFITS	
NMHPA—New Mothers Health Protection Act	Cannot provide cash incentives to a new mother to leave the hospital early following childbirth. Minimum hospital stay permitted is two days for regular delivery and four days for a c-section
OBBBA–One Big Beautiful Bill Act	This bill made several tax-related changes: • Increased the Dependent Care FSA limit from $5,000 to $7,500 • Mandated work requirements to be eligible for Medicaid • Implemented a permanent tax exclusion for employer-paid student loan reimbursement • Permitted first dollar coverage for telehealth without impacting HSA eligibility • Allowed Direct Primary Care arrangements as an eligible HSA expense • Permitted Bronze and Catastrophic Plan participants to participate in an HSA plan • Allowed plan withdrawal limit increases in a 529 plan from $10K to $20K for K-12 education, allowed an increase in the employer-provided childcare tax credit, and created a permanent tax credit for employer-paid leave.
USERRA—Uniformed Services Employment and Reemployment Rights Act	Must permit people to serve in the military and keep their job. Employees must notify their employer of their time away and expected return date; job can be held for specific periods of time
WHCRA—Women's Health and Cancer Rights Act	If your plan covers services for breast cancer and mastectomies, then your plan must also cover breast reconstruction following a mastectomy

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