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The average premium for employer-sponsored health insurance was \$6,690 for single coverage and \$18,764 for family coverage in 2017. Those figures are up 4 percent and 3 percent, respectively, from last year. Contact your U.S. Employee Benefits Services Group representative to discuss strategies for reducing premium costs.

ACA Mandate Penalties Still Effective

The IRS Office of Chief Counsel has recently issued several information letters regarding the Affordable Care Act's (ACA) individual and employer mandate penalties. These letters clarify the following:

- Employer shared responsibility penalties continue to apply for applicable large employers (ALEs) that fail to offer acceptable health coverage to their full-time employees (and dependents).
- Individual mandate penalties continue to apply for individuals that do not obtain acceptable health coverage (if they do not qualify for an exemption).



These letters were issued in response to confusion over President Donald Trump's [executive order](#) directing federal agencies to provide relief from the burdens of the ACA.

According to these letters, the executive order does not change the law. The ACA's provisions are still effective until changed by Congress, **and taxpayers are still required to follow the law, including paying any applicable penalties.**

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Don't Forget About Voluntary Benefits

The United States is experiencing an ever-tightening labor market, where the number of jobs available exceeds the number of qualified candidates. One way employers can recruit and retain top talent is by offering voluntary benefits and educating employees on how to use the voluntary benefits they offer.

Voluntary benefits



According to Gallup, nearly 50 percent of employees report they would leave their employer for a company that offered benefits beyond medical insurance. Offering these benefits isn't all employers need to do, though. In order for employers and employees to get the most out of these benefits, employees must be made aware that they exist and be educated on how to use them.

Contact U.S. Employee Benefits Services Group for customizable educational materials and communications.

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Employee Benefit Plan Limits Increase for 2018

Many employee benefits are subject to annual dollar limits that are periodically increased for inflation. The Internal Revenue Service (IRS) recently announced cost-of-living adjustments to the annual dollar limits for various welfare and retirement plan limits for 2018. Although some of the limits will remain the same, many of the limits will increase for 2018.

The annual limits for the following commonly offered employee benefits will increase for 2018:

- High deductible health plans (HDHPs) and health savings accounts (HSAs);
- Health flexible spending accounts (FSAs);
- 403(b)/457(b)/401(k) plans.

HSA and HDHP Limits

HSA Contribution Limit			
Limit	2017	2018	Change
Self-only HDHP coverage	\$3,400	\$3,450	Up \$50
Family HDHP coverage	\$6,750	\$6,900	Up \$150
Catch-up contributions*	\$1,000	\$1,000	No change

*Not adjusted for inflation

HDHP Limits				
Limit		2017	2018	Change
Minimum deductible	Self-only coverage	\$1,300	\$1,350	Up \$50
	Family coverage	\$2,600	\$2,700	Up \$100
Maximum out-of-pocket	Self-only coverage	\$6,550	\$6,650	Up \$100
	Family coverage	\$13,100	\$13,300	Up \$200

FSA Benefits

FSA Limits			
Limit	2017	2018	Change
Health FSA (limit on employees' pre-tax contributions)	\$2,600	\$2,650	Up \$50
Dependent care FSA (tax <u>exclusion</u>)*	\$5,000 (\$2,500 if <u>married and</u> filing taxes separately)	\$5,000 (\$2,500 if married and filing taxes separately)	No change

*Not adjusted for inflation

403(b)/401(k) Contributions

403(b)/401(k) Contributions			
Limit	2017	2018	Change
Employee elective deferrals	\$18,000	\$18,500	Up \$500
Catch-up contributions	\$6,000	\$6,000	No change

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