



Washington Update

April 7, 2021

Law and Policy Group

welcome to brighter



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Agenda

1. Health benefits
2. Retirement benefits
3. Executive rewards
4. Mercer resources
5. Q&A

Health benefits

Noteworthy events since November 2020 for employer health plans

Quick hits

- **SCOTUS:** In *Rutledge v. Pharmaceutical Care Mgmt. Ass'n* (No. 18-540), the court held that ERISA does not preempt the state law regulating pharmacy benefit managers (PBMs) that “merely increases costs”
 - Court found that Arkansas law regulates the relationship between PBMs and pharmacies, not plans or their relationships with PBMs, pharmacies, or plan participants.
 - **Consolidated Appropriations Act of 2021.** Dec. 27, 2020 — largest healthcare legislation since the ACA
 - Flexible spending arrangement (FSA) flexibility for 2021 and 2022 (IRS Notice 2021-15, Feb. 18, 2021)
 - Mental health parity comparative analysis requirement (tri-agency FAQs, Part 45, April 2, 2021)
 - Ban on surprise medical billing starting January 2022 (guidance expected)
 - Transparency requirements generally starting in 2022, with some earlier requirements (guidance expected)
 - Additional guidance for **outbreak period relief** (DOL Disaster Relief Notice 2021-01, Feb. 26, 2021)
 - Additional guidance **on COVID-19 testing and vaccine coverage requirements** for group health plans (tri-agency FAQs, Part 44, Feb. 26, 2021)
 - Withdrawal of Equal Employment Opportunity Commission’s **proposed wellness program rules** under the Americans with Disabilities Act and Genetic Information Nondiscrimination Act, Feb. 2021
- **American Rescue Plan Act, March 11, 2021**
 - Emergency paid leave tax credit extension/expansion (guidance expected)
 - Dependent care FSA and tax credit changes for 2021
 - 100% COBRA subsidy for April through September 2021 (guidance expected)
 - **Personal protective equipment (PPE)** can be reimbursed through health FSA, health reimbursement arrangement (HRA) or health savings account (HSA) as a 213(d) medical expense (IRS Announcement 2021-07, March 26, 2021)
 - **Extension of 2020 federal income tax filing and HSA contribution deadline** to May 17 (IRS Notice 2021-21, March 29, 2021)
 - **Employee retention tax credit** guidance (IRS Notice 2021-20, March 1, 2021, and Notice 2021-23, April 2, 2021)
 - **SCOTUS:** Will we see a decision in the ACA case — *California v. Texas* — anytime soon?

Outbreak period relief

Group health plans, participants and other individuals

Outbreak period runs from March 1, 2020, until 60 days after the end of the COVID-19 National Emergency

Deadlines falling within the outbreak period are paused until the earlier of:

- One year from the date an individual or plan was first eligible for the relief
- 60 days after the end of the COVID-19 National Emergency (i.e., the end of the outbreak period)

Example. On July 31, 2020, Mary had a baby and typically would have had until Aug. 30, 2020, to enroll the child (and herself, if not already enrolled). Because the outbreak period is disregarded in determining the special enrollment period, Mary now has until Aug. 30, 2021, or 30 days after the end of the outbreak period if that date occurs first, to enroll her baby. If elected, coverage is retroactive to July 31, 2020.

Relief for plan participants, beneficiaries, others

Extended time for:

- HIPAA special enrollments
- Initial claim filing and appeals
- External review request
- COBRA election
- COBRA premium payments
- Notice to plan about COBRA qualifying event (e.g. divorce, dependent child aging off) or disability determination

Relief for group health plans

Extended time to furnish ERISA required notices and disclosures, as well as COBRA election notice

FSA relief — optional

Consolidated Appropriations Act and guidance

- **Carryovers and grace periods.** Carryovers for health and dependent care FSAs are uncapped from 2020 into 2021 and 2021 into 2022; health and dependent care FSAs may extend grace periods from 2-1/2 months to 12 months
- **Limiting age for dependent care FSAs.** The age of children whose expenses qualify for reimbursement temporarily increases from 12 years old to 13 years old
- **Health FSA post-termination reimbursement.** Additional flexibility allows reimbursing medical expenses incurred after participation ends, similar to how the dependent care FSA spend-down provision currently works
- **Midyear changes for FSAs.** For plans years ending in 2021, employers may allow employees to prospectively change FSA elections without a change-in-status event
- **Cafeteria plan midyear election changes.** For 2021, employers may allow employees to prospectively change medical, dental and vision plan elections without a change-in-status event
 - Attestation of other coverage is required for group health plan revocation
- **Amendments.** Plan amendments are required and may be retroactive, as long as completed by Dec. 31, 2022, for 2021 changes and by Dec. 31, 2023, for 2022 changes



Dependent care changes — 2021 only

American Rescue Plan Act

Dependent care assistance program (DCAP)

Exclusion for employer-provided dependent care, including employee pretax contributions to dependent care accounts, increased from \$5,000 to \$10,500 (and from \$2,500 to \$5,250 for a married individual filing a separate return).

- Carryover/unused grace period amounts are not included when calculating the new limit (according to informal IRS comments) and are disregarded for nondiscrimination testing for the following year's testing.

Dependent care tax credit

Fully refundable tax credit for dependent care expenses increases to 50% (from 35%), gradually phasing down to 20% for individuals with adjusted gross income (AGI) between \$125,000 and \$183,000, and completely phases out for individuals with AGI in excess of \$438,000.

- Expenses eligible for the credit increase to \$8,000 (from \$3,000) for one qualifying individual and \$16,000 (from \$6,000) for two or more qualifying individuals (so the maximum credits would be \$4,000 and \$8,000).



COBRA subsidy

American Rescue Plan Act

100% subsidy

For **assistance eligible individuals (AEIs)** — COBRA qualified beneficiaries (covered employees, spouses and dependents) who lose (or lost) group health plan coverage due to **involuntary** termination or reduction of work hours.

April 1 – Sept. 30, 2021

The **subsidy period** does not extend the otherwise applicable maximum COBRA period, and will end sooner than Sept. 30 if the COBRA coverage period ends earlier, or the AEI becomes **eligible** for other group coverage (other than excepted benefits) or Medicare.

Second election opportunity

For AEIs who haven't exhausted their original maximum COBRA period, and either:

- Did not elect COBRA when first eligible
- Elected COBRA and dropped it

Prospective — AEIs do not have to elect and pay for COBRA for any months prior to the subsidy period

Notice requirements

Model notices expected by April 10

- General COBRA subsidy notice must be incorporated into all COBRA election notices
- General COBRA subsidy and second election notice must be provided to all AEIs by **May 31, 2021**
 - **AEIs without COBRA have 60 days to elect**
- Notices must let AEIs know whether they have opportunity to switch to less expensive coverage (optional).
 - **AEIs have 90 days to make the switch.**

Subsidy expiration model notice expected by April 25

- Notice must be provided 15 to 45 days before subsidy ends

Employer tax credit

Refundable tax credits equal to the COBRA cost (including administrative fee) through a reduction of quarterly Medicare payroll taxes

Preventing surprise medical bills

Effective 2022

Expansive surprise medical bill rules require:

- Covering out-of-network (OON) **emergency services** without prior authorization at in-network cost sharing
- **No balance-billing** from certain **ancillary service providers** at an in-network facility and air (but not ground) ambulances
- **No balance-billing** from other out-of-network service providers without **prior notice and consent** (subject to certain exceptions)
- **Audits** and **prompt payment**
- **Binding arbitration** of certain out-of-network claims
- **External review** to determine whether surprise billing rules apply
- **Continuity-of-care** provisions
- **Independent dispute resolution** process for certain charges that exceed estimates for uninsured
- **Provider nondiscrimination rules**
- **Enforcement over noncompliant providers**
- **Air-ambulance cost reporting**

The Consolidated Appropriations Act provisions protect patients from paying surprise medical bills to:

- OON providers (e.g., ER)
- Ancillary service providers (OON provider like a radiologist at a network provider)
- Air ambulances



Transparency requirements

Bringing it all together

Legend

Consolidated Appropriations Act

Transparency-in-coverage rules

2021 plan year

- Immediately remove gag clauses on price and quality information
- File Rx data under new reporting requirement by Dec. 27, 2021
- Obtain required broker disclosures by Dec. 27, 2021

2023 plan year

Provide online self-service tool with estimated cost-sharing liability (and other information) for 500 items and services

2022 plan year

- Post publicly three machine-readable files (in-network, OON, Rx drugs) for all covered items and services
- Provide price-comparison tool
- Provide advance explanation of benefits (EOB) upon request with good-faith estimates
- Add deductibles, out-of-pocket maximums and required language to ID cards
- Make sure provider directories are accurate and up-to-date

2024 plan year

Provide online self-service tool with estimated cost-sharing liability (and other information) for all covered items and services, including Rx drugs

Transparency requirements

Employer first steps

Insured plan



Discovery and planning

Develop inventory of programs subject to transparency requirements



Contracting and documentation

Amend the contract — insurer to provide transparency files and tool and accepts responsibility for compliance failure

Data flow considerations in all cases

- Renegotiate NDA's and contracts that prohibit data sharing (e.g. billed amount)
- Confirm the parties agree to share the information
- Validate the accuracy of the data being shared
- Confirm data warehouses and third-party administrators (TPAs) will meet the data output requirements

Self-funded plan



Discovery and planning

Develop inventory of programs subject to transparency requirements



Contracting and documentation

- Confirm scope of third-party support, timeline and pricing
- Amend contract and any nondisclosure agreement
- Review and update contract indemnification language
- Assess third-party performance guarantees that may support transparency requirements
- Review/update summary plan description (SPD) language as necessary

Pharmacy benefit reporting

Consolidated Appropriations Act

Plans report to agencies information from previous plan year.

Agencies issue trend report 18 months after the initial plan reporting using aggregate data.

Demographics

- Plan year beginning and end dates
- States where plan is offered
- Number of participants/beneficiaries

Cost

- Total spending on healthcare by plan (broken down by type)
- Average monthly premium paid by employer and employee

Top 50 Rx

- Brand drugs most frequently dispensed (and number of claims)
- Most costly drugs (and amount spent for each)
- With greatest increase in expenditures over the plan year (and the amount expended by the plan)

Rebates

- Impact on premiums by rebates paid to plans
- Including amounts paid for each of the 25 drugs with the highest amount of rebates
- Any reduction in premiums associated with these rebates

Due date

Initial report due by Dec. 27, 2021

Subsequent reports due annually by June 1

Notes

Pharmacy data required differs from what the final transparency rule requires.

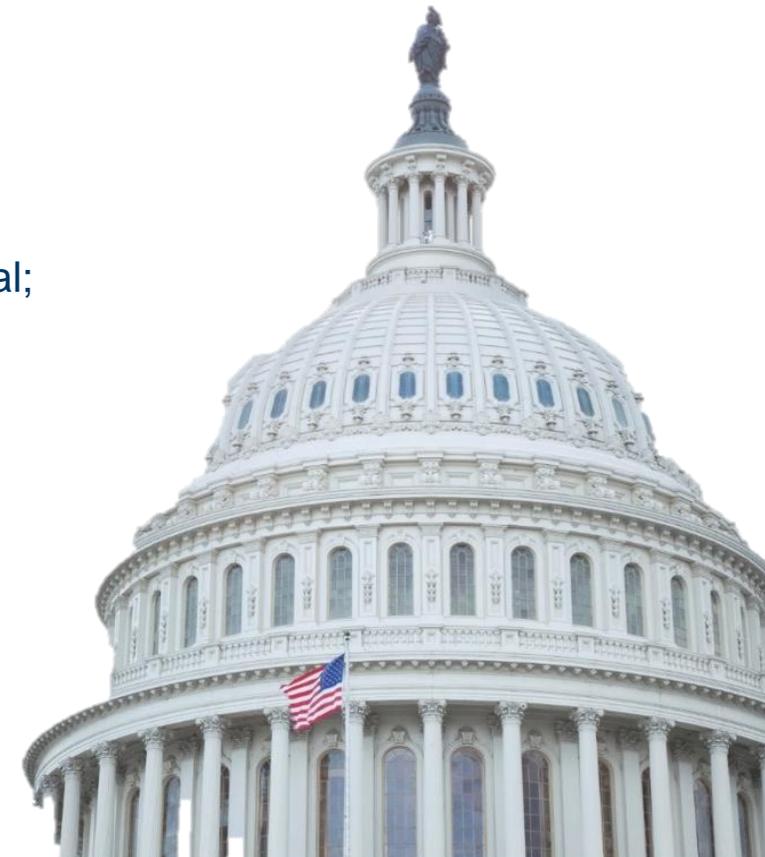
Reported information will not necessarily be public.

Aggregate information will be public.

Democrats face major test of unity on next healthcare steps

Progressives, centrists jockey for reforms in American Jobs Plan

- Curbing drug prices will be a priority as Democrats draft president's "infrastructure" package
 - Progressive Democrats back plan to let government negotiate prices for certain drugs and make those prices available to employer plans
 - Moderates support penalties for drug makers that boost prices above general inflation
- Coming Biden "human capital" infrastructure plan to outline health, paid leave priorities
- Permanence for two-year expansion of Affordable Care Act (ACA) subsidies is a goal; will employer shared-responsibility rules change?
- Democrats are also eyeing government-run public option plan, lower Medicare eligibility age, but ideas face obstacles



Retirement benefits

American Rescue Plan Act

Relief affecting pension plans

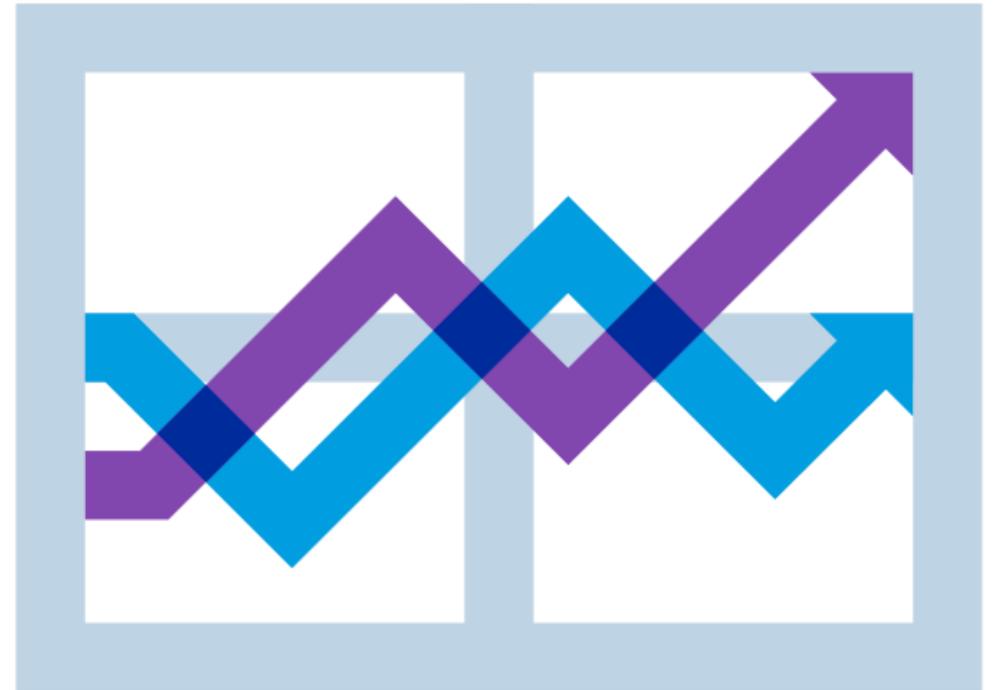
- Single-employer funding relief
 - Extended and expanded interest rate relief
 - Shortfall amortization relief
- Multiemployer relief
 - Deferral of status updates
 - Extra time for improvement/rehabilitation plans
 - Extra time to amortize pandemic-related losses
 - Financial assistance for poorly funded plans
- Expansion of community newspaper plans' funding relief



American Rescue Plan Act

Single-employer funding relief — interest rates

- New 5% floor on 25-year average segment rates
- Narrower stabilization corridor
- Delayed phase-out
- Effective for 2020 plan year
 - May disregard for 2021 or 2022
 - Defer for all purposes or just Section 436 benefit restrictions



American Rescue Plan Act

Single-employer funding relief — interest rates

Plan year	Current		With relief	
	Minimum	Maximum	Minimum	Maximum
2012-2019	90%	110%	90%	110%
2020	90%	110%	90% or 95%	110% or 105%
2021	85%	115%	85% or 95%	115% or 105%
2022	80%	120%	95%	105%
2023	75%	125%	95%	105%
2024	70%	130%	95%	105%
2025	70%	130%	95%	105%
2026	70%	130%	90%	110%
2027	70%	130%	85%	115%
2028	70%	130%	80%	120%
2029	70%	130%	75%	125%
2030+	70%	130%	70%	130%

American Rescue Plan Act

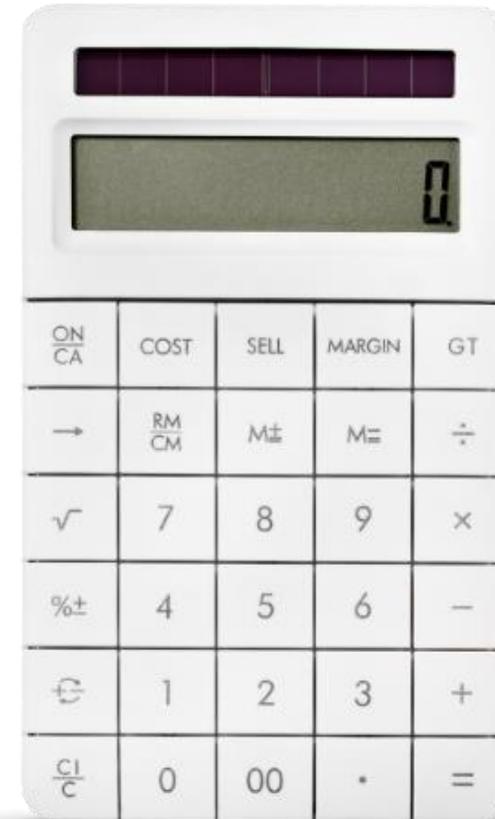
Single-employer funding relief — interest rates

	Unadjusted 25-year average	Segment rates before ARPA	25-year average with 5% floor	Rates with relief (5% corridor)
2020				
First	4.04%	3.64%	5.00%	4.75%
Second	5.79%	5.21%	5.79%	5.50%
Third	6.60%	5.94%	6.60%	6.27%
2021				
First	3.90%	3.32%	5.00%	4.75%
Second	5.64%	4.79%	5.64%	5.36%
Third	6.43%	5.47%	6.43%	6.11%

American Rescue Plan Act

Single-employer funding relief — shortfall amortizations

- Existing shortfall amortization bases reset to zero
- New base established equal to funding shortfall
- Amortization period permanently extended from seven to 15 years
- Effective for 2022 plan year
 - May elect retroactive to 2019, 2020 or 2021



American Rescue Plan Act

Single-employer funding relief — awaiting guidance

- How to make elections (and effective date for interest rate elections)
- Impact on credit balances
- Can contributions be redesignated for other years?
- Transition relief for upcoming deadlines (i.e., April 15 quarterlies)



Consolidated Appropriations Act

Partial plan termination (PPT) relief

- PPT may be triggered when employer-initiated terminations exceed 20% of active participants during a year
 - If it occurs, must fully vest affected participants to the extent benefits are funded
- Relief: No PPT for plan years including March 13, 2020, through March 31, 2021, if participants are restored by March 31
- Unknowns:
 - No PPT for two plan years if conditions met, regardless of what happens during those years?
 - What about employees who are vested before relief?
- For defined benefit plans, PBGC reporting may still be required



Consolidated Appropriations Act

Defined contribution (DC) plan disaster relief

- Applies to major disasters declared during 2020 and early 2021
 - In-service distributions up to \$100,000 from DC (including money purchase) plans, regardless of age
 - Repayment of unused hardship distributions for buying or building a home in an affected area?
 - Temporary increase in loan cap from \$50,000 to \$100,000
 - One-year delay of loan repayments
- **Not** for the pandemic



Consolidated Appropriations Act

Student loan reimbursements

- Employees can exclude up to \$5,250 of employer-provided educational assistance from gross income
 - Tuition, books, fees, supplies, equipment
- CARES Act added cash reimbursements of student loans for payments made before Jan. 1, 2021
- CAA extends tax-free treatment for five more years, through the end of 2025



Consolidated Appropriations Act

420 transfers

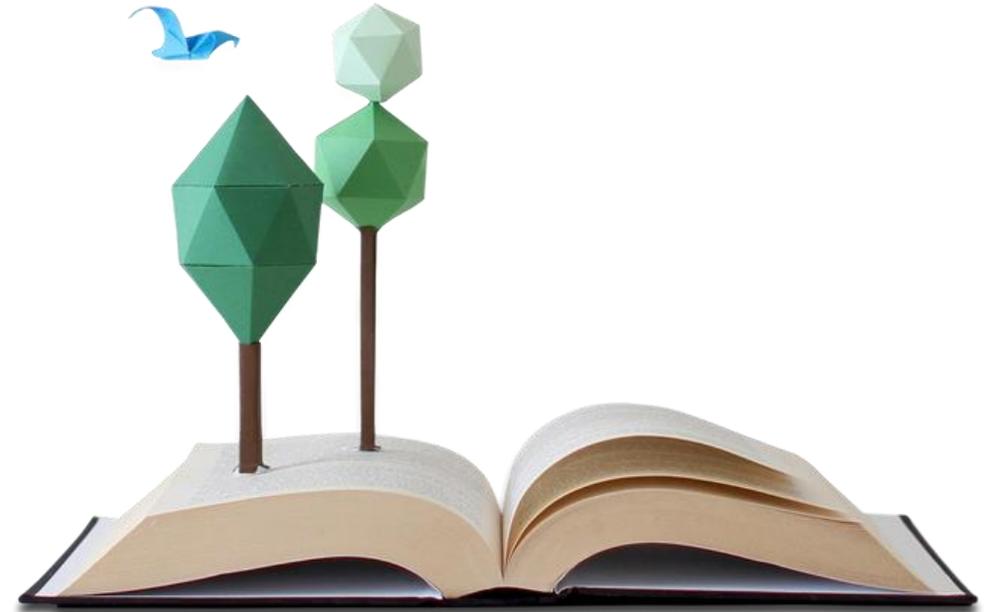
- Sponsors of overfunded defined benefit (DB) plans can use excess plan assets to prefund certain retiree health and life benefits
- Typically done for one year, but can be done for up to 10 years
 - Use, vesting and employer cost-maintenance requirements
 - Must keep plan 120% funded for the transfer period and next four years
 - CAA lets sponsors end these agreements early and take money back
 - Reduced funding level requirements for original transfer period and next five years
 - Assets returned to sponsor subject to 20% excise tax unless transferred back to retiree health and life plan



Regulatory

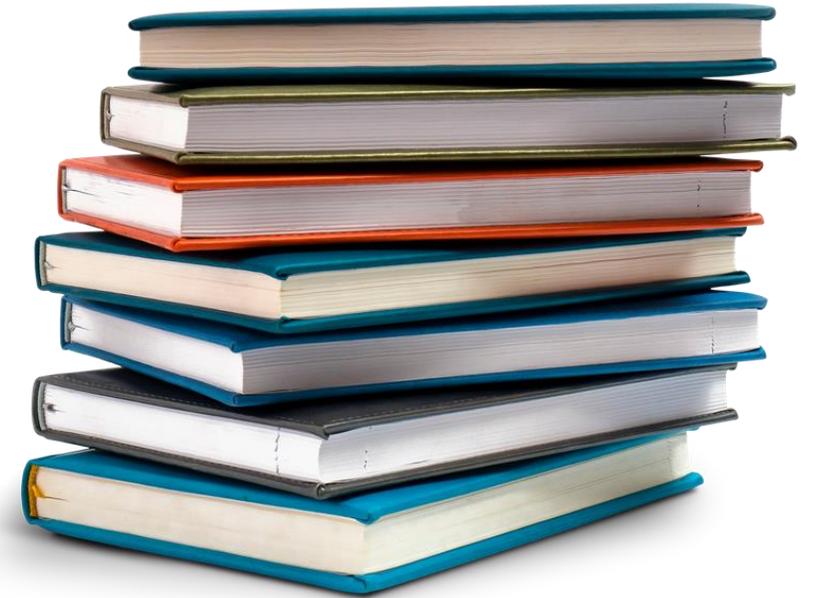
Department of Labor

- Final registration requirements for pooled plan providers
- Final rules on selecting retirement plan investments and proxy voting
 - Biden administration requested review for consistency with climate-change agenda
 - DOL announced nonenforcement policy in March
 - Litigation risk is still present
- Prohibited transaction exemption for investment advice fiduciaries
- Guidance on pandemic relief for notice and disclosure requirements
 - Applies individually to each deadline that arises
 - Deadline extended for one year, but not later than 60 days after end of outbreak period



Judicial

- Fidelity infrastructure fee lawsuit — dismissal upheld on appeal
- IBM 401(k) stock drop lawsuit — settled
- DB actuarial-equivalence lawsuits
 - American Airlines dismissed/settled
 - First class settlement in February (Raytheon)
 - UPS dismissed, AT&T dismissed but refiled; Anheuser-Busch and PepsiCo voluntarily dismissed
 - Others proceeding



Democrats' retirement policy priorities top legislative agenda

Revenue-raisers also in play as American Jobs Plan advances

- Democrats' priorities include:
 - Measure would require substantially all employers to have a retirement plan or an automatic IRA
 - Adopt expanded, refundable Saver's Credit
 - Help individuals save, reduce debt
- Numerous potential retirement-related revenue offsets include:
 - Cap, reduce or freeze qualified retirement benefit amounts
 - Eliminate catch-up contributions for high-income taxpayers
 - Further expand Section 162(m) group, restrict nonqualified deferred compensation
- Bipartisan "SECURE 2.0" efforts continue amid partisan tension
 - Action possible on "Securing a Strong Retirement Act," Cardin-Portman bills this year



Executive rewards

Tax

162(m) changes

- Revenue raiser in American Rescue Plan Act extends coverage of Section 162(m)'s \$1 million cap on pay deductibility to include **five additional** employees, effective for tax years beginning **Jan. 1, 2027**
 - 162(m) covered employees currently are all individuals who served as chief executive officer or chief financial officer during the tax year and the three other highest compensated officers (within the definition of “executive officers” under SEC Rule 3b-7) for the tax year
 - Anyone who meets these criteria in any tax year is permanently treated as a covered employee
 - The five new employees do not fall under the permanently covered provision and are not limited to SEC executive officers
 - Unknown if implementing regulations will grandfather compensation programs currently in place
- In February, lawmakers reintroduced the Stop Subsidizing Multimillion Dollar Corporate Bonuses Act that would make pay of all employees of public companies subject to the deductibility cap

Regulatory

Potential changes to SEC rules

SEC may roll back issuer-friendly rules:

- Shareholder proposals: SEC rule requiring shareholders to meet more stringent eligibility requirements to submit and resubmit proxy proposals for annual meetings beginning Jan. 1, 2022
 - Lawmakers introduced resolution calling for reversal
- Proxy advisor regulation: SEC rule requiring proxy advisors to disclose material conflicts of interest and allow companies to review and respond to voting recommendations, beginning Dec. 1, 2021

SEC may fast-track proposed investor-friendly rules:

- Clawbacks (Dodd-Frank): Fast-track SEC rule requiring companies to adopt stringent policies to recoup incentive-based compensation based on misstated financials
- Pay-for-performance disclosure (Dodd-Frank): Fast-track SEC rule requiring companies to chart the relationship between executive pay and company performance based on relative total shareholder return

Regulatory

Diversity, equity and inclusion

Pay equity

- Agencies may enhance pay equity disclosure, e.g., EEOC may restore Obama program requiring EEO-1 reports to include pay data by gender and race/ethnicity

Board diversity

- SEC may build on Nasdaq proposal to require companies to (1) disclose a “board diversity matrix” disclosure framework and (2) meet phased in board composition diversity thresholds or explain their noncompliance

Related developments

- Some states (e.g., California) require this type of disclosure
- After investor push, ~half of S&P 100 companies agree to disclose
- High profile companies have announced diversity targets

Related developments

- Some states (e.g., California) require diverse boards
- Shareholders sue for failure to diversify board and misleading proxy disclosures
- Investors, e.g., BlackRock, will vote against directors who fail to act to improve board diversity
- Investors seek adoption of “Rooney rule” for director and CEO searches
- Proxy advisors will highlight nondiverse boards and recommend voting against their directors

Regulatory

Human capital management, environmental, social and governance

Human capital management (HCM)

- SEC may enhance principles-based Form 10-K rule to require disclosure of specific metrics

Related developments

- Compensation committee responsibilities expand to include oversight of HCM
- Voluntary proxy disclosures increase

Environmental, social and governance (ESG)

- SEC established new climate and ESG task force to identify misconduct, including gaps/misstatements in climate risk disclosure
- May enhance disclosure of climate risks, e.g., update 2010 climate change disclosure guidance
- Acting chair seeks responses to 15 questions for SEC staff to use in considering potential rules

Related developments

- COVID-19 has accelerated the incorporation of ESG factors into incentive plans
- Investors seek “say-on-climate” advisory vote and climate risk disclosure (e.g., BlackRock is asking companies to disclose plans for how their business model will be compatible with a net-zero economy and how this strategy is overseen by the board)
- Number of S&P 500 companies citing climate change risks in Form 10-Ks rose from ~60 companies in 2019 to ~220 companies in 2020

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Tracking federal COVID-19 laws affecting employee benefits, jobs

By Geoff Manville, Brian Kearney, Cheryl Hughes, Margaret Berger and Dorian Z. Smith
May 4, 2020; revised March 30, 2021

In this article
[Multiple rounds of COVID-19 relief enacted](#) | [Key retirement, health, leave and employer aid provisions of COVID-19 relief](#) | [Related resources](#)

Like previously enacted COVID-19 aid bills, new relief legislation enacted March 11 — the American Rescue Plan Act (ARPA) (Pub. L. No. 117-2) — contains a broad array of employee benefit and workplace provisions, along with many other provisions to help Americans through the pandemic. Healthcare and leave items include fully subsidized COBRA coverage, more generous tax benefits for employer-provided dependent care assistance, enhanced tax credits for employers providing emergency paid sick and family leave, and increased Affordable Care Act (ACA) subsidies. The law also encourages Medicaid expansion in states that have not already done so by increasing the base federal medical assistance percentage (FMAP) by five percentage points for two years and dramatically improves the child tax credit. Other provisions include substantial pension funding relief for single-employer plans and extensive multiemployer pension plan reforms, as well as an extension of the expanded employee retention tax credit.

Multiple rounds of COVID-19 relief enacted

ARPA is one of the major COVID-19 relief measures with provisions directly affecting employers and employee benefit plans. Earlier legislation included the roughly \$900 billion government spending package enacted in December 2020, the Consolidated Appropriations Act (CAA) of 2021 (Pub. L. No. 116-260), as well as the Families First Coronavirus Response Act (FFCRA) (Pub. L. No. 116-127) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act (Pub. L. No. 116-136). Additional pandemic-related measures enacted last year (Pub. L. Nos. 116-142 and 116-133) provided more funding for the Paycheck Protection Program (PPP) and healthcare providers' COVID-19 response and testing, but those measures did not contain provisions directly affecting employer plans. Another bill (HR 1300) signed into law on March 30 extends the PPP through May 31.

Although all relief legislation enacted in 2020 passed with bipartisan support, Republicans didn't support the latest aid package, preferring a smaller bill. Democrats used their new control of the Senate and White House this year to muscle the latest aid package through under budget reconciliation rules. Those rules allow legislation to pass with a simple majority in the Senate rather than the usual 60 votes. Democrats will likely mount a push later this year for a second reconciliation bill containing additional benefits and workplace reforms.

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Pension funding relief, union plan reforms in aid bill near enactment

By Margaret Berger, Geoff Manville, Brian J. Kearney and Alfred Magnus
March 10, 2021

In this article
[Funding relief for single-employer plans](#) | [Help for multiemployer pension plans](#) | [Modified definition of community newspaper plans](#) | [Expansion of Section 162\(m\) group](#) | [Related resources](#)

Funding relief for single-employer pension plans and extensive reforms to help troubled multiemployer plans are included in COVID-19 aid legislation heading for President Biden's signature after House approval March 10 — days after the measure passed the Senate. Other provisions in the nearly \$2 trillion American Rescue Plan Act (HR 1319) expand funding relief for community newspapers and broaden the group of executives subject to the Section 162(m) limit on tax-deductible compensation. The president will sign the bill within days.

Funding relief for single-employer plans

The legislation contains two key forms of single-employer funding relief backed by Mercer and the pension community: continued interest rate relief beyond 2020 and permanent lengthening of the amortization period for funding shortfalls.

To extend and enhance interest rate relief, the bill narrows the current 10% interest rate corridor to 5%, effective retroactively to 2020, and delays the phaseout of the 5% corridor from 2021 until 2026. At that point, the corridor will increase by 5 percentage points each year until it reaches 30% in 2030, where it will stay. In addition, a 5% floor will apply to 25-year interest rate averages to provide protection from extreme interest rate movements.

Sponsors can choose to disregard the interest rate relief for any plan year beginning before 2022 for all purposes, or solely for determining whether benefit restrictions apply under Internal Revenue Code

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COBRA help, dependent care items in COVID-19 bill near enactment

By Geoff Manville and Dorian Z. Smith
March 10, 2021

In this article
[Relief measure enacted without bipartisan support](#) | [Fully subsidized COBRA premiums and new notice requirements](#) | [Increased income exclusion for dependent care programs for 2021](#) | [Emergency sick and family leave changes](#) | [Increased ACA marketplace subsidies for 2021 and 2022](#) | [Expanded employee retention credit](#) | [Related resources](#)

Subsidized COBRA coverage, more generous tax benefits for employer-provided dependent care assistance, enhanced tax credits for employers providing emergency paid sick and family leave, and increased Affordable Care Act (ACA) subsidies for health coverage feature in COVID-19 aid legislation heading for President Biden's signature after House approval March 10. Other provisions in the nearly \$2 trillion American Rescue Plan Act (HR 1319) provide extended federal unemployment benefits, direct stimulus payments to many Americans, monies for state and local governments, and additional funding COVID-19 testing, tracing, and vaccine distribution. The president will sign the bill within days.

Relief measure enacted without bipartisan support

Since the pandemic began, Congress has passed a series of relief bills containing a broad array of employee benefit and workplace provisions. These measures include the roughly \$900 billion package enacted with bipartisan support in December, the Consolidated Appropriations Act (CAA) of 2021 (Pub. L. No. 116-260).

With new control of the Senate and White House this year and Republicans urging a smaller bill, Democrats muscled the latest aid package without any GOP support using budget reconciliation rules. Those rules allow legislation to pass with a simple majority vote in the Senate rather than the usual 60-vote threshold. After a series of internal disputes over efforts to raise the federal minimum wage and other issues, Democrats ultimately rallied around President Biden's first legislative push.

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www.mercer.us/our-thinking/managing-novel-coronavirus.html

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Return to the Workplace
Employers need to address COVID-19 impacts by balancing empathy in meeting their people's needs with the economics of the business. Return to work confidently and safely with a plan that outlines who, how and when. With our collective expertise in health & well-being, workforce strategies and risk management, Mercer can help you move forward with confidence.

Return to the workplace
Quick reference guide



Quick reference guide with practical considerations.

Return to the workplace
Move forward with confidence



In-depth perspective on how to move forward with confidence.

Return to the workplace
Planning guide for employers



Planning guide to help your business leaders and response teams organize your employees' return.

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SHRM and HCRI credit information

Society for Human Resource Management (SHRM) credits

- This program, **Activity 21-ED3QK**, has been preapproved for *1.0 SHRM* professional development credit toward CP and SCP recertification.

Human Resources Certification Institute (HRCI) credits

- This program, **ID No. 554967**, has been approved for *1.00 HR (general) recertification credit hours* toward PHR™, PHRi™, PHR®, PHRca®, SPHR®, GPHR®, PHRi™ and SPHRi™ recertification.



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