



LINDSTROM INSURANCE
EMPLOYEE BENEFITS • LIFE AND DISABILITY INSURANCE

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Anthem Blue Cross Loses El Camino Hospital from Their Networks

Blue Cross announced this week that they have been unable to reach an agreement with El Camino Hospital for both locations in Mountain View and Los Gatos. As a result, the contract terminated effective February 29, 2016. Letters are being mailed to members and employers.

Medicare Supplement clients are not affected, but other clients with HMO, PPO, EPO or POS plans will need to make a change for future services in order to enjoy the higher, in-network benefits.

Provisions exist for “continuity of care” for those individuals who are in the middle of receiving treatment. Watch your mail for details. Also, note that many doctors who have admitting privileges with El Camino Hospital will also have admitting privileges at other network facilities, such as Good Samaritan, O’Connor Hospital, Stanford, etc.

Anthem Blue Cross Changing to Online Billing

Blue Cross will discontinue paper billing as of May 1, 2016. If you have not yet enrolled in “Employer Access”, please call us for help and we’ll make sure you’re ready.



New Benefits Person? Not Sure About Procedures? We Want To Help!

We’re noticing some of our groups have hired new benefits administrators. Please let us know when you have a new person in this position!

We’ve developed a short training program and Carol will be happy to meet with your new office manager or benefits administrator to review the “Care and Feeding” of your benefit plans and privacy rules to avoid future problems and make things go more smoothly.

We’re also happy to review procedures with your current benefits person and make sure you have the correct, up to date forms for your current plan(s). We’ll bring you an electronic copy of the forms, review eligibility waiting periods, benefits offered, the employer contribution, etc., and generally want you to be comfortable with this important aspect of your business.

Additions and Terminations

And while we're on that subject, please remember that "new hires" are considered eligible when they've worked the requisite number of hours (usually 30 hours/week) for the eligibility waiting period (typically 30 or 60 days, but this varies by plan). Coverage generally starts the first of the following month.

Carriers have absolutely no sense of humor or inclination to be merciful if a deadline is missed. Late enrollees may be required to wait until your next open enrollment period to be added to the plan.

It's actually easier to have everyone complete an enrollment form (or online enrollment, if you have that set up) for your plan as soon as they start working 30 hours per week (or 20 if that's the case in your firm). If someone doesn't "make the cut" and you let them go before they should be eligible, it's easy to contact the carrier and stop the coverage from taking effect. Let the new hire know that you'll be submitting their form early, but coverage will not start until they meet the eligibility waiting period.

Newly eligible dependents must be added to the plan(s) within 30 days of the wedding, within 30 days of the adoption or birth.

If an employee reduces their hours, quits, you need to fire them, etc., there is generally a form to submit to notify the insurance carrier that coverage should end. Health Net just asks for a letter confirming the date of the termination or reduction in hours. Again, if you have enrollment online, the termination may also be processed electronically. Please call us if you need clarification on any of this.



Email Address for Enrollment and Change Forms

In order to provide better service to those groups who submit enrollment forms, change forms, etc. to our office for processing and tracking, please use the special email address: Enrollment@lindstrominsurance.com
Remember to password protect those files!

If you need help with how to password protect a document, give us a call. We still have a paper fax machine, too, and will be happy to receive your forms at 831-335-5883.

Vicki Melendy and Team in Training

Vicki is once again fighting blood cancers through the Leukemia Lymphoma Society's Team in Training Program. If you would like to make a difference toward a world without blood cancers, please consider donating to the Leukemia Lymphoma Society through Vicki's fundraising efforts.

This year, she'll be participating in at least two events. The website to learn more about the goal and the team and to possibly make a donation is:

<https://pages.teamintraining.org/svmb/yourway/6/vmelendy>

All donations, large and small are gratefully accepted.



2016 Retirement Plan and Health Savings Account Limits

The Social Security Wage base for 2016 is now \$118,500 (unchanged from last year). The rates remain unchanged at 6.2% for FICA and 1.45% for Medicare.

Funding limits for employee payroll contributions to qualified retirement plans in 2016 are:

Type Of Plan	Regular Amount	Additional Catch Up*
401K, 403b annuity and 457 Government	\$18,000	\$6,000
SIMPLE-IRA	\$12,500	\$3,000
Defined Contribution	\$53,000	N/A

*An employee must be at least age 50 by December 31, 2016 to contribute the "catch up" contributions for retirement plans.

AGI phase-out range for taxpayers making contributions to a Roth IRA is \$184,000 to \$194,000 for married couples filing jointly. This is up from \$183,000 to \$193,000. For singles and heads of household the income phase-out range is \$117,000 to \$132,000 up from \$116,000 to \$131,000.

Health Savings Accounts:

H.S.A.	2016	2015	2014
Maximum Contribution (Single)	\$3,350	\$3,350	\$3,300
Maximum Contribution (Family)	\$6,750	\$6,650	\$6,550
Catch-up Contribution (age 55+)	\$1,000	\$1,000	\$1,000
Minimum Deductible (Single)	\$1,300	\$1,300	\$1,250
Minimum Deductible (family)	\$2,600	\$2,600	\$2,500

Please Note: It is always smart to include employee HSA contributions as an "includable benefit" in a written Section 125 cafeteria plan document, in order to save FICA/Medicare taxes.

Flexible Spending Accounts (FSA): The maximum amount an employee can contribute to a health FSA during 2016 is \$2,550 (same as 2015). Contributions to "dependent care" FSA accounts (for childcare) are limited to \$5,000 in 2016; OR \$2,500 if "married filing separately" as your tax filing status.

Please Note: Make sure you have a written Section 125 plan document if you sponsor FSA's.

Employer-Paid Parking: An employer may reimburse or directly pay employees for up to \$255 per month during 2016 for parking as a non-taxable fringe benefit. The parking must

be job-related and on or near the employer's business location.

Please Note: "Downtown" employers may want to consider providing non-taxable parking benefits in lieu of taxable wages.

Mileage Reimbursement: Beginning on Jan. 1, 2016, the standard mileage rates for the use of a car, van, pickup or panel truck will be:

- 54 cents per mile for business miles driven; down from 57.5 cents in 2015.
- 19 cents per mile driven for medical or moving purposes; down from 23 cents in 2015.
- 14 cents per mile driven in service of charitable organizations.

An employer may choose to reimburse employees at the IRS rate for business miles driven on their personal vehicle, without the reimbursement being reported as taxable wages to the employee. Reimbursements above the IRS mileage rate must be treated as taxable wages.

Please Note: An employer is NOT required to use the IRS mileage rate for employee reimbursements; therefore, it can reimburse more (taxable on excess) or less than the IRS rate listed above.

How Much Can Students Earn In 2016?

Students and/or children of some business owners can earn up to \$6,300 in wages during 2016 without paying any Federal income tax. Please also note this: The wages paid to the owner's children/grandchildren must be reasonable amounts based on the actual work completed. Maintain records to prove that wages paid to family members are "reasonable".

“Small Group” Now Includes Employers of 1 – 100 Employees

The definition of a “Small Group” changed on January 1, 2016 from 1-50 employees to 1 – 100 employees. This means employers renewing this year with 51-100 employees will be moving from “Large Group” products (including composite rating and different benefits) to the “Small Group” world with age rating and standardized benefits.

We're happy to help clarify which employees count, what time period you'll need to reference, and which carrier's plans might best meet your needs. We'll be in touch two or three months in advance of your renewal date to discuss all of this, but feel free to call us if you have questions or would like to discuss how this impacts your group.

IRS Warns There's a New Phishing Scam

You may have already heard about this one, but if not, please warn your employees not to respond. The new phishing scheme sends an email to payroll and human resources offices, appearing to come from the CEO or owner of the company, requesting personal information on employees. It generally contains the name of the executive.

The goal is to get someone in your company to “urgently” email a pdf of payroll data, W-2 forms, retirement plan statements and other documents containing Social Security Numbers and other personally identifiable information to cybercriminals posing as the executive or owner. Don't let this happen to you!