



American Rescue Plan Act of 2021

Presented by: Barb Gerken, VP/Director of Employee Benefit Compliance

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QUESTIONS?

You may ask your question in the questions box at any time. Any questions that we do not answer during the webinar will be posted on the compliance corner webpage in the coming weeks.

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TODAY'S PRESENTER

Barb Gerken

- With 32 years in the group health insurance market, Barb Gerken is the Vice President | Director of Employee Benefit Compliance for First Insurance Group.
- Barb is responsible for agency and client compliance with state and federal regulations affecting employee benefit programs.
- She currently serves as Legislative Chair of the Ohio Association of Health Underwriters, NAHU Region III Legislative Chair, member of the NAHU Legislative Council, NAHU Compliance Corner working group and NAHU Employer working group.



AGENDA

- American Rescue Plan Act of 2021
 - Provisions

American Rescue Plan Act of 2021

\$500 Million

Emergency Rural
Development Grants for
Rural Health Care

Sec. 1002

\$5
Million

Funding for Department of
Labor Worker Protection
Activities

Sec. 2101

\$7.5
Billion

COVID-19 Vaccine Activities
at the CDC

Sec. 2301

American Rescue Plan Act of 2021

\$1
Billion

Vaccine Confidence Activities

Sec. 2302

\$6.05
Billion

Supply Chain for COVID-19
Vaccines, Therapeutics and
Medical Supplies

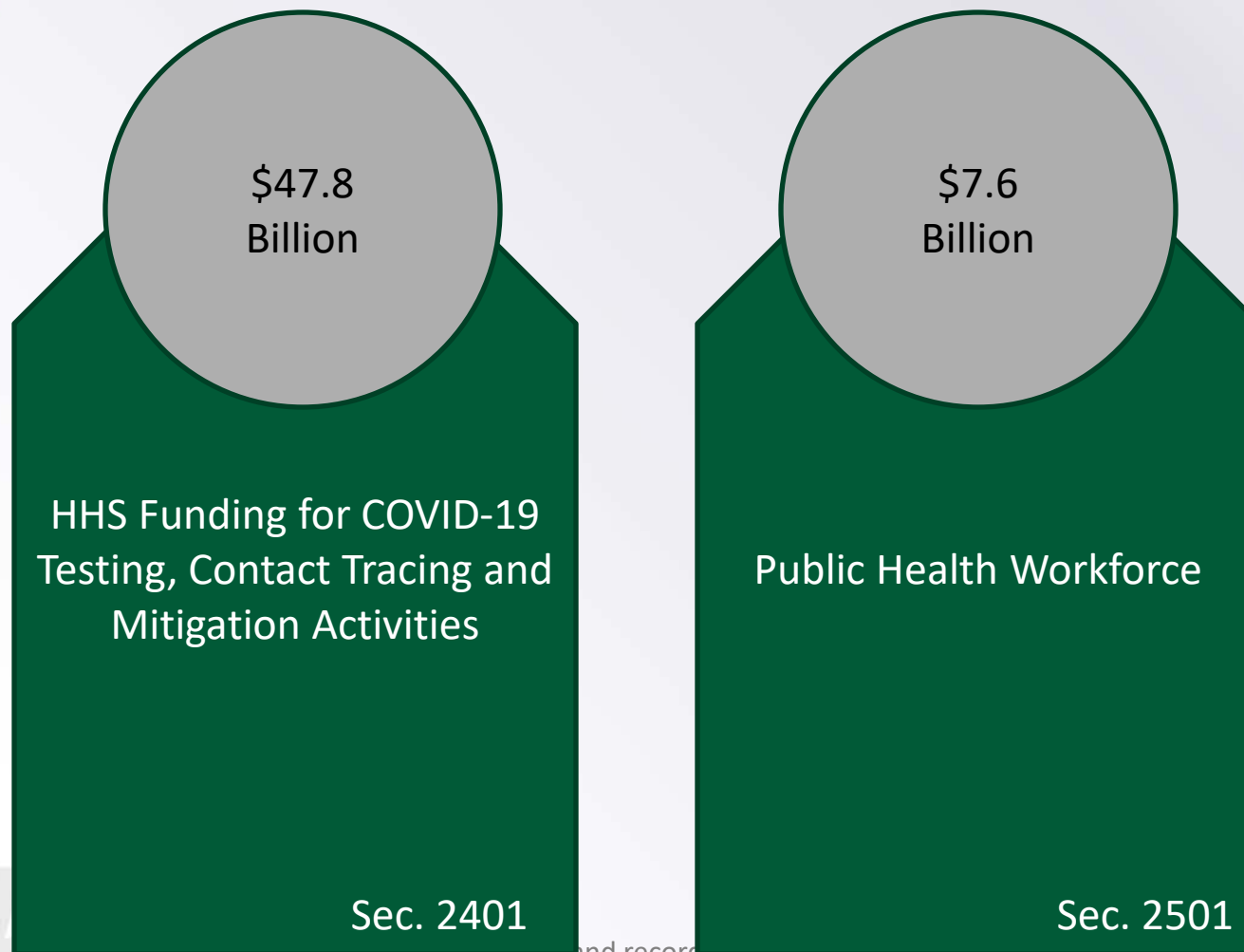
Sec. 2303

\$500
Million

COVID-19 Vaccine,
Therapeutic and Device
Activities at the FDA

Sec. 2304

American Rescue Plan Act of 2021



American Rescue Plan Act of 2021

\$1.5
Billion

Block Grants for Community
Health Services

Sec. 2701

\$1.5
Billion

Block Grants for Prevention
and Treatment of Substance
Abuse

Sec. 2702

\$80
Million

Mental Health and
Substance Abuse Disorder
Training for Health Care
Professionals,
Paraprofessionals and Public
Safety Officers

Sec. 2703

American Rescue Plan Act of 2021

\$20
Million

Education and Awareness
Campaign Encouraging
Healthy Work Conditions and
Use of Mental Health and
Substance Abuse Disorder
Services by Health Care
Professionals

Sec. 2704

\$40
Million

Grants for Health Care
Providers to Promote Mental
Health Among Their Health
Professional Workforce

Sec. 2705

\$30
Million

Community-Based Funding
for Local Substance Abuse
Disorder Services

Sec. 2706

American Rescue Plan Act of 2021

\$30
Million

Community-Based Funding
for Local Behavioral Health
Needs

Sec. 2707

\$10
Million

National Child Traumatic
Stress Network

Sec. 2708

\$30
Million

COVID-19 Emergency
Medical Supplies
Enhancements

Sec. 3101

State Small Business Credit Initiative

Sec. 3301

- \$10 billion
 - \$1.5 billion to socially and economically disadvantage individuals;
 - \$500 million to very small businesses
 - Fewer than 10 employees;
 - May include independent contractors and sole proprietors

PPP Modifications

Sec. 5501

- Additional \$7.25 billion
- Eligibility of certain nonprofit entities for coverage loans
 - Size limitations depend on type of nonprofit
- Eligibility of Internet Publishing Organizations
 - NAICS code of 591930 – internet-only news or periodical publisher
 - Less than 500 employees

Support For Restaurants

Sec. 5003

- Restaurant Revitalization Fund
- SBA will administer grants;
- To be awarded on or after 60 days after enactment;
- \$28.6 billion
 - \$5 billion for entities with gross receipt during 2019 or not more than \$500,000
 - \$23.6 billion for eligible entities of different sizes based on annual gross receipts.

Support For Restaurants

Sec. 5003

- Covered period – February 15, 2020 through December 31, 2021
- Eligible Entity - restaurant, food stand, food truck , food cart, caterer, saloon, inn, tavern, bar, lounge, brewpub, tasting room, Taproom
- Entities with more than 20 locations are not eligible (whether or not those locations do business under the same or multiple names.

Support For Restaurants

Sec. 5003

- Publicly traded companies are not eligible.
- During the first 21 days – priority will be given to small business owned and controlled by women, veterans or socially and economically disadvantage small business concerns.

Pandemic Unemployment Assistance

Sec. 9011

- Extension of previous provision;
- individuals who are *self-employed*, seeking part-time employment, or who otherwise would not qualify for regular unemployment compensation.
- Expires September 6, 2021
- Increases number of eligible weeks from 50 to 79

Unemployment

Extension of Pandemic Emergency Unemployment Compensation

Increase in number of weeks from 24 to 53

Extension of Full Federal Funding of First Week of Compensable Regular

Unemployment for State with No Waiting Period

Suspension of Tax on Portion of Unemployment Compensation

- For taxable years beginning in 2020
- First \$10,200 in unemployment will not be included in gross income for taxpayer with gross income less than \$150,000

Preserving Health Benefits for Workers

Sec. 9501

- \$10 billion
- Premium assistance for COBRA continuation coverage;
- Effective 4/1/2021 through 9/30/2021;
- 100% reimbursement of applicable premium (including administrative fees);
- Must elect to enroll in the coverage no later than 60 days after the date of notice of the plan enrollment option;

Preserving Health Benefits for Workers

Sec. 9501

- Does not apply to voluntary termination;
- May enroll in any plan offered by the employer;
- The employer must permit such assistance eligible individual to enroll in different coverage;
 - Must elect within 90 days
- Cannot exceed the premium for coverage in which such individual was enrolled at the time such qualifying event occurred;

Preserving Health Benefits for Workers

Sec. 9501

- Coverage that employee select must be offered to all similarly situated active employees of the employer at the time at which such election is made ;
- The different coverage may not be:
 - coverage that provides only excepted benefits;
 - A qualified small employer health reimbursement arrangement;
 - or
 - A flexible spending arrangement.

Preserving Health Benefits for Workers

Sec. 9501

- Not available to individuals eligible for coverage under any other group plan;
- Subsidy would not be available to individuals whose maximum period of COBRA coverage has expired;
- Employers must send notice with clear and understandable language including:
 - Availability of premium assistance;
 - The option to enroll in different coverage if the employer permits it.

Preserving Health Benefits for Workers

Sec. 9501

- The notice requirements can be met by adding verbage to current letters or including a separate document.
- The new notice must be sent within 60 days after the first of the month following date of eligibility after 4/1/2021.
- Failure to supply notice will be treated as a failure to meet the notice requirements under the applicable COBRA continuation provision.
- Model notices will be prepared by the DOL no later than 30 days following the enactment of the act.

Preserving Health Benefits for Workers

Sec. 9501

- Employer must also sent notice to advise member that the premium assistance is ending.
- Notice must:
 - Clearly state the end date of assistance;
 - Advise that coverage may continue without premium assistance.
- Notice will not need to be sent to those individuals ended with the overall September 30, 2021 expiration date.

Preserving Health Benefits for Workers

Sec. 9501

- Notice should be sent no early than 45 days before the expiration of assistance and no later than 15 days before the date of expiration of assistance
- Model notices will be prepared by DOL no later than 45 days after the date of the enactment.
- Expect additional guidance from the DOL and IRS

Preserving Health Benefits for Workers

Sec. 9501

- Credit for the amounts can be claimed by employers against their quarterly hospital insurance tax (includes governmental entities)
- Refunds will be provided for any amounts greater than the taxes due;
- Advanced credits are available
- Credits cannot be claimed if you are already claiming credit under the Employee Retention tax credit.
- Pending IRS rules for claiming credits and advance payments

Preserving Health Benefits for Workers

Sec. 9501

- Eligible individuals who already made a payment should be reimbursed within 60 days of their premium payment
- Employees must notify employer of ineligibility to continue. Failure to notify with result in \$250 penalty.
- Fraudulent failures to notify result in a penalty equal to the greater of \$250 or 110% of the premium assistance paid after eligibility ended.
- Premium assistance amounts would not be counted in gross income for the recipient.

Increase in Exclusion for Dependent Care Assistance

Sec. 9632

- Special rule for 2021
- Increase from \$5,000 to \$10,500
- Retroactive to 1/1/2021
 - Employer must formally adopt the increase in the plan documents no later than 12/31/2021

FFCRA Reasons For Leave

- (1) The employee is subject to a Federal, State, or local quarantine or isolation order related to COVID-19.
- (2) The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID-19.
- (3) The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis.

FFCRA Reasons For Leave

(4) The employee is caring for an individual who is subject to an order as described in subparagraph (1) or has been advised as described in paragraph (2).

(5) The employee is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the child care provider of such son or daughter is unavailable, due to COVID-19 precautions.

(6) The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

ARPA Additional Reasons

- Employee is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 and such employee has been exposed to COVID-19 or the employee's employer has requested such test or diagnosis
- Employee is obtaining immunization related to COVID-19 or recovering from any injury, disability, illness, or condition related to such immunization after medical diagnosis in section 5102 (a)(3)

Credit for Paid Sick Leave

Sec. 3131

- 100% credit for qualified sick leave wages;
- For the time period April 1, 2021 through September 30, 2021;
- Up to \$200 for reasons (4), (5), (6) or newly added reasons for leave;
- Up to \$511 for reasons (1), (2) or (3);
- Limit of 10 days.

Credit for Paid Family Leave

Sec. 3132

- 100% credit;
- For the time period April 1, 2021 through September 30, 2021;
- Up to \$200 with no more than \$12,000 across all quarters (up from \$10,000);
- Applies to all eligible reasons.

Rules for All Paid Sick or Family Leave

- Credit is claimed on quarterly taxes as, excesses are refundable or claim advance credit and can include qualified health plan expenses.
- All of the same administration rules from the FFCRA apply as to eligible employees and available hours.
- Governmental entities are not eligible to claim this credit.
- Credits can not be applied if an employer is claiming under the PPP loans, Restaurant Revitalization Grants or Economic Aid to Hard-Hit Small Businesses, Non-Profits and Venues Act Grants.

Credit for Leave for Certain Self-Employed Individuals

- 100% credit
- For the time period April 1, 2021 through September 30, 2021;
- For any self-employed individual who:
 - Regularly carries on any trade or business within the meaning of Section 1402 of the Internal Revenue Code of 1986
 - Would be entitled to receive paid leave during the taxable year pursuant to the EPSLA if they were an employee of another company

Credit for Sick Leave – Self-Employed

Sec. 9642

- The number of eligible days (no more than 10) multiplied by the lesser of:
 - \$200 (\$511 for reasons (1), (2), (3)) or
 - 67% (100% for reasons (1), (2), (3)) of average daily self-employment income of the individual for the tax year.
- Average daily income = net earnings from self-employment of the individual for the taxable year (or prior taxable year) divided by 260

Credit for Paid Family Leave

Sec. 9643

- The number of eligible days (no more than 60) multiplied by the lesser of \$200 or 67% of average daily self-employment income of the individual for the tax year.
- Average daily income = net earnings from self-employment of the individual for the taxable year (or prior taxable year) divided by 260

Extension of Employee Retention Credit

Sec. 9651

- 70% of qualified wages for each employee for calendar quarter
 - Up to \$10,000

Premium Assistance for Consumers

Sec. 9661

Household Income (expressed as % of FPL)	Initial Premium Percentage	Final Premium Percentage
Up to 150%	0.0	0.0
150% up to 200%	0.0	2.0
200% up to 250%	2.0	4.0
250% up to 300%	4.0	6.0
300% up to 400%	6.0	8.5
400% and above	8.5	8.5

Premium Assistance for Consumers

Sec. 9661

- Effective for 2021 and 2022;
- Premiums after these new savings will decrease, on average, by \$50 per person per month or by \$85 per policy per month.
- Four out of five enrollees will be able find a plan for \$10 or less/month after premium tax credits, and over 50% will be able to find a Silver plan for \$10 or less.
- No one will pay more than 8.5% of their household income towards the cost of the benchmark plan, or a less expensive plan.

Premium Tax Credit – Unemployment

Sec. 9663

- For 2021 only
- A taxpayer who has received, or has been approved to receive, unemployment compensation for any week beginning in 2021, will be treated as an applicable taxpayer, and shall not take into account any household income of the taxpayer in excess of 133% of the federal poverty line for the size of the family involved.
- Taxpayer will provide self-attestation and any other documentation requested.

Premium Tax Credit – Current Enrollees

- Current enrollees have the option to update their applications and enrollments.
- Enrollees would be required to reselect their current plan in order to received reductions for the remainder of the year.
 - May also choose to reconcile through tax filings.
- Current enrollees also have the option to enroll in different plans but should consider impact to current deductible/out-of-pocket amounts met.

RESOURCES

[H.R. 1319 American Rescue Plan - Full Text](#)
[CMS Fact Sheet - American Rescue Plan Act](#)



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