COWDEN

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COWDEN TIMES

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Cowden News

Compliance Overview: Form M-1 MEWAs and AHPs

A Health Savings Account (HSA) is a type of medical savings account that has become popular due to the tax-advantages it provides for those enrolled in a High Deductible Health Plan (HDHP). HSAs are used to pay for expenses covered under the HDHP, until the deductible is met, as well as qualified medical expenses not covered under the HDHP. This “Compliance Overview” summarizes key HSA features, such as tax benefits, eligibility requirements, and contribution limits for 2019.

Contact your Cowden representative for more information on this or other compliance issues.

Read Compliance Overview Here

New 401(k) Could Be Windfall for Small Businesses, Workers

Forty years ago, Congress passed the Revenue Act of 1978 and added a single paragraph marked “(k)” to another wise yet obscure section of the Internal Revenue Code.

Read The Full Article Here

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Industry News

ACA Compliance Bulletin: ACA Individual Mandate Penalty No Longer Applies

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law. With this act, the individual shared responsibility (or individual mandate) penalty under the Affordable Care Act (ACA) is reduced to zero, effective in 2019. This means that beginning in 2019, individuals will no longer be penalized for failing to obtain acceptable health insurance coverage. However, a failure to obtain acceptable health coverage for 2018 may still result in a penalty for the 2018 tax year. Thus, individuals must still certify on their 2018 tax return whether they complied with the individual mandate for 2018. **All other ACA provisions remain unchanged and employers and individuals must remain compliant.** This “ACA Compliance Bulletin” provides additional details on this act and who it affects.

Contact your Cowden representative for more information on this or other compliance issues.

Read ACA Compliance Bulletin Here

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Meet Our Team

Our team consists of 25 employees and in each newsletter, we take the time to highlight some of our employees. To see our entire team click here.

Lesa M. Votovich, GBA
Vice President, Health & Benefits

What's one thing you couldn't live without? Ice cream!

What is your favorite thing to do? Read and visit various wineries.

David Weaver EA, FSA, MAAA
Senior Consultant and Actuary

What's one thing you couldn't live without? Coffee!

What is your favorite thing to do? I enjoy building things out of wood and/or metal. I learn to do it well, and then move on to build something different and so on.

Joan Boenigk
Analyst

What's one thing you couldn't live without? My loved ones - family and friends.

What is your favorite thing to do? I enjoy flower gardening where I can be out in the fresh air and sunshine.

Dave Borra, CHP, CSCS
Vice President, Operations

What's one thing you couldn't live without? I literally could not live without the kindness, compassion, and unselfishness of my wife.

What is your favorite thing to do? I enjoy spending time with my wife, kids, and granddaughter -- it doesn't matter what we're doing. But, if I had to pick one thing, it would be playing with my granddaughter and making her laugh.

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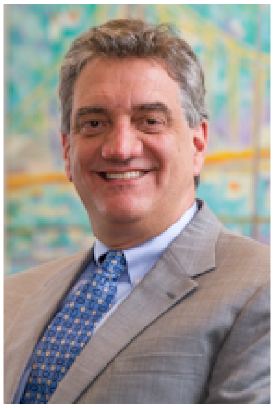
What's Dinkin Thinkin?



“What’s Dinkin Thinkin” is insight from Cowden President/CEO Elliot N. Dinkin covering a variety of topics including compensation, benefits, retirement, management, sales, and marketing.

Elliot Dinkin is equally comfortable whether he is in a courtroom providing testimony or in a CFO's office providing strategic counsel. The 25-plus-year veteran of the actuarial, compensation, and employee benefits fields continues to make his mark.

Today, as President and CEO at Cowden Associates, Inc., Elliot provides leadership to position the company at the forefront of the industry.
Follow Elliot's blog or on Twitter, @ElliotDofCowden.

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Multiemployer Pension Financing Bill Introduced

The Joint Select Committee on Solvency of Multiemployer Pension Plans (JSC) was formed in early 2018 with the objective of developing legislative solutions to improve the solvency of multiemployer pension plans and the Pension Benefit Guaranty Corporation (PBGC). Unfortunately, the JSC failed to agree on any proposals.

As a result, recent legislation has been introduced in the House of Representatives that is a form of the Butch Lewis Act, titled the Rehabilitation for Multiemployer Pensions Act. Under this proposal, the legislation would establish a federal loan program for critical and declining multiemployer pension plans administered through a newly-created federal agency, the Pension Rehabilitation Administration (PRA).

Under this legislation, the PRA would issue bonds that would finance loans to:

- Critical and declining multiemployer pension plans
- Plans that have suspended benefits under the Multiemployer Pension Reform Act
- Recently insolvent plans receiving financial assistance from the PBGC

Procedurally, eligible plans would apply for a loan to fund the plan’s obligations for the benefits of current retirees and beneficiaries. Plans that receive a loan would then be required to fund the obligations to those in pay status choosing one of the following options:

- **Annuity Purchase** – purchasing annuity contracts
- **Duration Matching or Cash Matching Portfolio** – investing the loan proceeds in a cash or fixed income portfolio designed to match the specific benefit liabilities
- **Treasury-Specified Portfolio** – investing in some other portfolio prescribed by the Secretary of the Treasury in regulations

Under the proposal, the annuity contracts and fixed income portfolios purchased with the loan proceeds would not be taken into consideration determining an employer's withdrawal liability, but the benefits covered by the annuity contracts would be.

In addition, if an employer withdraws from the plan during the term of the loan, the employer's withdrawal liability would be determined under the mass withdrawal rules, such that the 20-year cap on the number of withdrawal liability payments would not apply and the withdrawing employer would be required to pay any additional reallocation liability.

It is uncertain at this point the logical path for this bill and where it may end up. We will continue to monitor this situation and advise accordingly.

Please share your thoughts!

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About Cowden

Cowden Associates, Inc. (Cowden) is recognized as a leading independent compensation, health and benefits, and retirement consulting firm regionally, nationally, and internationally. Cowden was established in 1996, bringing together seasoned professionals to provide client-focused advice designed to produce superior and measurable results to businesses, regardless of size or industry. Client industries include: financial institutions, governmental entities, healthcare, manufacturing, not-for-profit, school districts, and Taft-Hartley.

Cowden's exceptional interactive approach is what sets us apart from similar consulting firms. To deliver a tailored resolution to your specific needs, we first identify the overall attributes exclusive to your organization. We build an understanding of your organization by asking questions, observing, and listening. In this manner, you are not merely receiving a pre-fabricated answer, but rather a unique solution for your circumstances.

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How Are We Doing?

Please let us know how we're doing by submitting a Cowden Gram!

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