CLSHRM
Central Louisiana Society for Human Resource Management

AFFILIATE OF SHRM SOCIETY FOR HUMAN RESOURCE MANAGEMENT

Volume 18, Issue 12

December 2012

Looking Back and Forward

Another year is coming to a close and we wonder how it passed so quickly.

CLSHRM had a very successful year. Some of our accomplishments included:

- offered 9.25 hours of general recertification credit from HRCI;
- worked with the LSUA Continuing Education Department to become approved for PHR/ SPHR Prep Classes;
- sponsored one member to attend PHR prep classes;
- supported board members in attending Louisiana SHRM council and leadership meetings;
- implemented policies to maintain the fiscal integrity of the chapter;
- donated several pounds of food items to the Food Bank of Central Louisiana;
- donated school supplies to the Rapides Parish School Board; and last but certainly not least
- increased the volunteer participation on the board and on committees.

Lots of work has already been done for 2013. Speakers have been set up for the first three months; membership initiatives are in the works; and new service project ideas are being discussed.

As always, your help is needed to sustain our chapter. We know time is scarce and many of us are over-committed, but please consider the following suggestions.

If you have ideas about speakers or programming for the year, feel free to share with a board member. If you know someone who would benefit from becoming a member of our chapter, invite them to attend a meeting as our guest. If you have a couple of spare hours in a month and would like to mentor a small business owner or work with the Chamber of Commerce or the Orchard Foundation on a project, let us know so we can match you.

Thanks to all the faithful members who attend the meetings and events—you are appreciated.

DECEMBER CELEBRATION OF ACCOMPLISHMENTS

Wednesday, December 12, 2012 | 11:30 am

Cajun Landing Restaurant | 2728 N. MacArthur Drive | Alexandria, LA 71301

Recognize volunteers | Install new officers | Honor our members

Please bring an unwrapped toy or gift for donation to the Volunteers of America

CLSHRM Mission Statement

Be the primary influencer of workplace policies and practices that benefit our members and the organizations they serve;

Build a broad and actively engaged membership that ensures dissemination of leading practices to the workplace;

Be the major source for building strong competence and developing the talent and leadership of people in our organizations; and

Ensure a solid financial structure that permits reinvestment in initiatives and learning that advances the state of the profession.

2012 Officers:

President: Lori Patrick

President-Elect: Sandy Mask

Past President: Candy Gerace

Secretary: Christina Goodrich

Treasurer: Shannon Tassin

Vice President of Membership: Jane Walker

Inside this issue:

We are on the web!!!

www.shrm.org

http://clshrm.shrm.org

2013 Chapter Membership Dues

Invoices for 2013 chapter membership dues will be mailed at the end of the December.

Dues are $50 for the calendar year. If not paid by February 15, 2013, a late fee of $5 will be assessed.

Please insure that you send your payment to the correct mailing address of:

CLSHRM
PO Box 4645
Pineville, LA 71361-4645

Payments may also be made on our website using PayPal. Visit http://clshrm.shrm.org and click on the Membership/About Us tab.

Welcome New Member Applicants

Leslie McCann (Rapides ARC)
Trenese Sterling (Bayne Jones Army Medical Center)
Katelyn Emerson (Diamond B Construction)
Maggie Lewis (Westaff)

January 2013 Meeting

Wednesday, January 16, 2013
11:30 am
Southern Creations | 3140 MacArthur Drive | Alexandria, LA 71301
Guest Speaker: Mr. Jim Clinton, CLEDA
Topic: Regional Economic Development and Workforce Challenges
Topic has been submitted for HRCI Recertification Credit

Time to Comply with $2500 FSA Limit for 2013

6/6/2012 (*updated October 2012*) By Stephen Miller, CEBS

The U.S. Internal Revenue Service issued Notice 2012-40 on May 30, 2012, with guidance on the $2,500 limit on pretax employee contributions to health care flexible spending accounts (FSAs) under the Patient Protection and Affordable Care Act (PPACA). The reform law limit on the amount that employees can set aside in FSAs is scheduled to take effect in 2013.

Among the points clarified in the notice:

- The $2,500 limit is effective for plan years starting January 1, and not the taxpayer's tax year. Employers with fiscal year health care FSAs may keep higher reimbursement limits in effect through the end of their 2012-2013 plan year.
- Employers may adopt retroactive amendments to impose the $2,500 limit before Dec. 31, 2014.
- The $2,500 limit applies only to salary reduction contributions under a health care FSA and does does not limit the amount permitted for reimbursement under an FSA for dependent care assistance or adoption care assistance. Nor does it apply to salary reduction or any other contributions to a health savings account (HSA) or to amounts made available by an employer under a health reimbursement arrangement (HRA). See the *SHRM Online* article "For 2013, Higher Limits for HSA Contributions and Out-of Pocket Expenses for High-Deductible Plans."
- The $2,500 limit also does not apply to employer nonelective contributions — sometimes called flex credits — nor to salary reduction contributions to a cafeteria plan that are used to pay an employee's share of health coverage premiums (or the corresponding employee share under a self-insured employer-sponsored health plan) — sometimes referred to as "premium conversion" salary reduction contributions.
- In the case of a plan providing a grace period (which may be up to two months and 15 days), unused salary reduction contributions to the health care FSA for plan years beginning in 2012 or later that are carried over into the grace period for that plan year will not count against the $2,500 limit for the subsequent plan year.
- Relief is provided for certain salary reduction contributions exceeding the $2,500 limit that result from a reasonable mistake and not willful neglect and that are corrected by the employer.

'Use or Lose' Rule Debated

In light of the $2,500 limit, the Treasury Department and IRS are considering whether to modify the annual "use it or lose it" rule that has been the bane of FSA users. That rule generally prohibits a contribution under an FSA from being used in a subsequent plan year or period of coverage. Unused amounts in the FSA are forfeited, typically to the employer, at the end of the plan year, with an additional grace period that employers may incorporate into their plans.

The IRS requested comments on whether the proposed regulations should be modified to provide additional flexibility with respect to the operation of the use-or-lose rule for health care FSAs and, if so, how any such flexibility might be formulated and constrained. Comments are also requested on how any such modifications would interact with the $2,500 limit." The comment deadline ended on Aug. 17, 2012.

The Employers Council on Flexible Compensation (ECFC), a trade group, issued a statement saying it has "heard from employers that many employees elect not to participate in an FSA because they fear losing their hard earned dollars. We have also heard from policy makers who have expressed concern that the use it or lose it rule encourages FSA participants to spend their dollars on unnecessary services and items at the end of the year, which contributes to inefficient health care spending. Eliminating the use it or lose it rule, however, will do away with this perverse incentive for such behavior."

However, some employers contend that the forfeited amounts are needed to cover the cost of providing FSA administrative services without passing those expenses along to employees.

Legislation Would Allow OTC Reimbursements

In another FSA-related development, Congress is considering legislation that would reverse the PPACA's ban on using FSAs and other pretax accounts to pay for most over-the-counter (OTC) medications without a prescription.

Under the reform law, employees with health care FSAs, health savings accounts (HSAs), health reimbursement arrangements (HRAs) and Archer medical savings accounts (MSAs) must present a doctor's prescription or a letter of medical necessity from a physician in order to use an account-linked debit card or check to purchase most OTC medications, or they must submit a receipt listing an Rx number or a doctor's prescription plus a receipt detailing the purchase in order to be reimbursed. The law took effect on Jan. 1, 2011.

As a result, the cost of OTC medications and other OTC items—including aspirin, acid reflux medications, allergy medications and eye drops—no longer can be reimbursed through FSAs and other tax-preferred arrangements without a prescription. Exceptions allowing reimbursement are permitted for insulin, testing materials, birth control, first-aid kits and other medical supplies. A listing of what is and isn't covered by the OTC restriction is provided in a fact sheet from WageWorks, an FSA services provider.

H.R. 5842, Restoring Access to Medication Act, sponsored by Rep. Lynn Jenkins, R-Ky., and introduced on May 18, 2012, has drawn support and opposition. According to an opposing statement by the Center on Budget and Policy Priorities: "Just one worker in seven has an FSA, and an even smaller fraction of workers is enrolled in other tax-favored accounts. High-income people benefit disproportionately from tax-advantaged accounts because they are in higher tax brackets, tend to consume more health care, and can afford to deposit larger amounts in their accounts. Purchases of over-the-counter medicines, such as aspirin and cough syrup, constitute routine personal expenses that do not generally deserve a tax subsidy."

However, the American Medical Association is among those advocating for an end to the OTC reimbursement exclusion. An AMA statement contends: "Rather than saving money, the new policy may increase overall health care spending by forcing patients to schedule office visits with their physicians to obtain prescriptions for OTC medications, or they may seek more expensive prescription drugs that are covered by their health insurance plans. Furthermore, since a prescription for an OTC product must be treated as any other prescription, recordkeeping requirements are increased for both physicians and pharmacies."

Stephen Miller, CEBS, is an online editor/manager for SHRM