

# Benefits Buzz

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## DID YOU KNOW

The U.S. Department of Labor's Wage and Hour Division is in the process of investigating full-service restaurants for unlawful pay practices.

The ongoing enforcement initiative has found widespread noncompliance with the minimum wage, overtime and recordkeeping provisions of the Fair Labor Standards Act (FLSA). The aim is to level the playing field for the many employers who do abide by the law.

The division has already assessed monetary penalties against employers for willful and repeated FLSA violations.



## Health Care Reform: 2011 in Review

There were many developments with the health care reform law in 2011, including:

- The W-2 reporting requirement was delayed for small employers (filing fewer than 250 Forms W-2). Larger employers must follow the rule starting with 2012 Forms W-2.
- The 1099 reporting requirement was repealed by Congress.
- Additional women's preventive care guidelines were issued, effective Aug. 1, 2012.
- Proposed guidance was announced about the summary of benefits and coverage requirement. Plans need not comply with this provision until final regulations are issued.
- New guidance was issued about the required claims and appeals process, including updated model notices.
- The Early Retirement Reinsurance Program is no longer accepting new

applications for the program.

- New guidance was issued on the annual limit waiver program. New applications are no longer accepted, but waivers already granted will apply until the first plan year after Jan. 1, 2014 (reapplication not required).
- HHS issued a final regulation aimed at controlling large health insurance premium increases.
- HHS issued final regulations about the medical loss ratio rule. The regulations are effective Jan. 1, 2012.
- Proposed regulations were released for state health insurance exchanges.
- The free choice voucher provision was repealed by Congress.
- The CLASS Program was suspended.
- Reform law was challenged in various federal courts, and the U.S. Supreme Court announced it would review the law's constitutionality in 2012.

## EEOC Discrimination Charges Hit Record High

Employment discrimination charges filed with the Equal Employment Opportunity Commission (EEOC) hit a record high in fiscal year 2011, with 99,947 charges filed.

Employers can take the following steps to avoid time-consuming and costly discrimination lawsuits:

- Audit your practices and policies to uncover potential problems
- Offer discrimination compliance training to all employees
- Establish a clear disciplinary policy, communicate your policy to employees and follow it
- Implement internal complaint procedures
- Seek legal guidance, even for small issues to prevent them from becoming bigger ones; also have legal counsel review your policies and procedures

