



Employers MUST Use New Form I-9

U.S. Citizenship and Immigration Services (USCIS) has released a new version of **Form I-9, Employment Eligibility Verification**. As of January 22, 2017, employers must use the updated form.

Background

Federal law requires employers to hire only individuals who may legally work in the United States—either U.S. citizens or foreign citizens who have the necessary authorization. To comply with the law, employers must verify the identity and employment authorization of each person they hire by completing and retaining Form I-9.

New Form I-9 and Dates

As of January 22, 2017, employers must use the "11/14/2016 N" version of Form I-9 to verify the identity and work eligibility of every new employee, or for the reverification of expiring employment authorization of current employees (if applicable). This date is found on the lower left-hand corner of the form.

[Click here](#) to access the latest Form I-9.

For more information on complying with employment eligibility verification requirements, please visit our section on [Form I-9](#).

Revised Model for CHIP Notice Now Available

A [revised model notice](#) is now available for all employers **that provide group health coverage in states with premium assistance through the Children's Health Insurance Program (CHIP), or Medicaid**, to inform employees of potential opportunities for assistance in obtaining coverage.

The employer CHIP notice **must be furnished to all employees annually before the start of each plan year**. An employer may provide the notice applicable to the state in which an employee resides concurrent with the furnishing of:

- Materials notifying the employee of health plan eligibility;
- Materials provided to the employee in connection with an open season or election process conducted under the plan; or
- The summary plan description.

The revised model notice includes information on how employees can contact their state for additional information and how to apply for premium assistance, with information current as of **January 31, 2017**.

Check out our [Benefits Notices Calendar](#) to learn about other federal notice requirements and to download additional model notices available for employers and group health plans.

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To access the revised model
CHIP Notice [Click here](#).

IRS Updates Publication on Deducting Travel, Entertainment, and Car Expenses

The Internal Revenue Service (IRS) has updated Publication 463 (Travel, Entertainment, Gift, and Car Expenses) for use in preparing 2016 tax returns that are filed in 2017. This publication explains what travel, entertainment, and car expenses are deductible, how to report them on returns, what records are needed to prove expenses, and how to treat any expense reimbursements received.

Highlights of Updated Publication

Updated Publication 463 contains the following new information:

- **Standard mileage rate.** For 2016, the standard mileage rate for the cost of operating a taxpayer's car for business use is **54 cents** per mile.
- **Depreciation limits on cars, trucks, and vans.** For 2016, the first-year limit on the total depreciation deduction for cars remains at **\$11,160** (\$3,160 if a taxpayer elects not to claim the special depreciation allowance). For trucks and vans, the first-year limit is **\$11,560** (\$3,560 if a taxpayer elects not to claim the special depreciation allowance).
- **Section 179 deduction.** For 2016, the [section 179](#) deduction limit on qualifying property purchases (including cars, trucks, and vans) is a total of **\$500,000**, and the limit on those purchases at which the deduction begins to be phased out is **\$2,010,000**.
- **Special depreciation allowance.** For 2016, the special ("bonus") depreciation allowance on qualified property (including cars, trucks, and vans) remains at **50%**.



[Click here](#) to access the updated Publication 463.

For more information, including details on company vehicles, visit our section on [Fringe Benefits](#).

New SBC Template Required For Use On or After April 1

New versions of the Summary of Benefits and Coverage (SBC) template, instructions, uniform glossary, and related documents are required for use **on or after April 1, 2017**. Under the Affordable Care Act, group health plans and health insurance issuers are generally required to provide a written SBC to plan participants and beneficiaries at specified times during the enrollment process and upon request.

Changes to SBC Template

The new SBC template includes an additional coverage example as well as language and terms to improve individuals' understanding of their health coverage. Specifically, the new template includes more information about cost sharing, such as enhanced language to explain deductibles, and requires plans to address individual and overall out-of-pocket limits. Changes have also been made to the SBC to improve readability.

Implementation Date for Using New Template and Related Documents

The implementation date for using the new SBC template and associated materials will be as follows:

- Health plans and issuers that **maintain an annual open enrollment period** will be required to use the new editions beginning on **the first day of the first open enrollment period that begins on or after April 1, 2017** with respect to coverage for plan years beginning on or after that date.
- Health plans and issuers that **do not use an annual open enrollment period** will be required to use the new editions beginning on **the first day of the first plan year that begins on or after April 1, 2017**.



[Click here](#) to access the new SBC template and related materials.

Additional information can be found in our [Summary of Benefits and Coverage \(SBC\)](#) section.

How to Handle Employee Attendance During Bad Weather

Snow and slippery conditions during the winter months may make it difficult for your employees to travel to work. Consider the following guidelines that can help your company be prepared when bad weather strikes.

1. When an employee misses work due to bad weather conditions, whether the employee is entitled to be paid for the absence may depend on the employee's exempt or non-exempt status.

Under the federal Fair Labor Standards Act (FLSA), employers are not required to pay non-exempt employees for hours they did not work, including when the office is closed due to bad weather.

Exempt employees generally must be paid their full salary amount if they perform any work during a workweek. However, an employer that remains open for business during a period of bad weather may generally make deductions, **for full-day absences only**, from the salary of an exempt employee who chooses not to report to work because of the weather. Deductions from salary for less than a full-day's absence are not permitted.

If the business is closed for the day as a result of inclement weather, the employer **may not deduct the day's pay** from the salary of an exempt employee. The general rule is that an employer who closes operations due to a weather-related emergency or other disaster for **less than a full workweek** must pay an exempt employee the full salary for that week, if the employee performs any work during the week. This is because deductions may not be made for time when work is not available.

2. Some states require employers to pay employees for showing up even if no work is available or there is an interruption of work and the employee is sent home.

Although payment for time not worked may not be required for non-exempt employees under federal law, **some states do require that employees be paid for a minimum number of hours for reporting to work**, even if there is no work that can be performed (such as when the office is closed) or the employee is sent home early, for instance, due to an impending storm.

Often called "reporting time pay," these laws may apply to specific industries (e.g., manufacturing) or certain employees only, so it is important to check with your state labor department for requirements that may apply to your company before implementing any policy.

3. Plan ahead to let your employees know what is expected of them and to help minimize disruption to your business.

Make it a priority to notify all of your employees, both exempt and non-exempt, of your company's policy regarding employee attendance and pay during periods of inclement weather. Your policy should include information on how your employees can find out whether the office is open or closed, such as by email, radio broadcast, calling in to hear a recorded message, or other methods that all employees can access. Be sure to apply your policy consistently and fairly to all employees.

It's also prudent to remind employees to use their best judgment and not to put their safety at risk when it comes to traveling to work during or after a storm. If possible, see if you can arrange for employees to work remotely from home on days when the weather makes travel dangerous.

For more issues related to employee compensation, including guidelines for determining the exempt or non-exempt status of your employees, visit our section on Employee Pay.

Marshall & Sterling Insurance will continue to provide you with updates and information regarding important issues. Should you have specific questions or need more information, please contact us.

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