



Quarterly G.A.B.

General Agency Benefits

525 East Broadway ♦ Mt. Pleasant ♦ 800.589.6982

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Your General Agency Benefits Department

Bob Weisenburger

President

bwise@ga-ins.com

Carolyn Miller, LUTCF

Employee Benefits Agent

cmiller@ga-ins.com

Emily Blackburn, LUTCF

Employee Benefits Agent

eblackburn@ga-ins.com

Josh Wheaton, LUTCF

Life and Disability Agent

jwheaton@ga-ins.com

Gloria Jensenius

Account Executive

gjensenius@ga-ins.com

Julie McNeal

Account Executive

jmeneal@ga-ins.com

Julie Gross

Administrative Assistant

kgross@ga-ins.com

Office Hours:

8:30 a.m. to 5:00 p.m.

Monday– Friday

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Law Requires Employers to Issue Notice to Employees- CHIP (Children's Health Insurance Program Reauthorization Act of 2009)

We want to ensure that you meet the requirements of the Children's Health Insurance Program Reauthorization Act of 2009 (known as CHIP). CHIP is a partnership between federal and state government. It provides low-cost health insurance coverage to children in families that cannot afford to purchase private health insurance, but earn too much to qualify for Medicaid.

The 2009 legislation requires that you, as an employer, issue an annual notice to your employees that tell them how to get access to CHIP's premium assistance. If you fail to comply with the CHIP Reauthorization Act notice requirements, you may be assessed civil penalties of up to \$100 per day. Your insurance carrier will NOT send these notices.

You must comply by the following dates:

* If your plan year began between February 4 and April 30, 2010, you were to provide the CHIP notice to your employees by May 1, 2010. (Since this information was just clarified and the date is past, please issue your notice as soon as possible.)

continued...



Spotlight Employee Gloria Jensenius

We would like to introduce to you this quarters spotlight employee and the newest member of the employee benefits team, Gloria Jensenius. Gloria comes to us with several years of experience in the insurance industry. She has been with the General Agency Company since 2008 as an account executive for our commercial lines department. She is now an account executive for the employee benefits group policies as well as individual life policies.

Gloria's favorite part of her job is getting to know her clients and helping them make the appropriate coverage choices. She tries to learn all she can about insurance to better answer any questions a client may have. In her spare time she enjoys reading and spending time with friends and family.



CHIP continued...

* If your plan year begins after May 1, 2010, the CHIP notice must be provided by the first day of the next plan year (for example, January 1, 2011 for calendar year plans).

The notice must inform each employee of potential opportunities for premium assistance in the state in which the employee resides. The employee's state of residence is the determining factor. It does not matter where your company or company's health insurer is located.

Michigan is not currently offering a premium assistance program, however employers are encouraged to consult with their legal counsel before deciding their annual notice responsibilities. Michigan does currently offer Mi-Child and you may want to remind your employees of this program and it's availability to Michigan residents.

<https://healthcare4mi.com/michild-web/>.

This notice is not required to be issued in a separate mailing and can be included with other items to reduce administrative expense. It may be included with enrollment packets, open enrollment materials or summary plan descriptions. It does need to be issued by the deadline, distributed to all employees entitled to it, and in a document of its own that is prominently seen.

New Small Business Health Care Tax Credit

The small business health care tax credit was designed to provide small employers, who pay at least 50% of their employee's health premiums, with some tax relief.

The credit takes effect beginning this year and is calculated based on the number of employees and the average annual usage. For tax years 2010 - 2013, the max credit is 35% of premiums paid by eligible employers. The max credit goes to smaller employers; those with 10 or fewer full-time equivalent (FTE) employees paying annual wages of \$25,000 or less. The credit is completely phased out for employers with more than 25 FTE or with average wages more than \$50,000.

Because the eligibility rules are based on the number of FTE's, not the number of employees, businesses that use part-time help may qualify even if they employ more than 25 individuals.

An additional, IMPORTANT point to note; many small employers commonly hire family members as employees. For purposes of this tax credit, family members of any business owner or partner would not be considered eligible. (Neither their wages or hours may be used when calculating the amount of credit).

Because this tax credit has a considerable amount of fine print, groups are urged to contact their tax accountant or the IRS for specific details.

In an effort to keep our valued clients updated with the latest information on their group health insurance programs, we wanted to inform you of a notice from **Blue Cross/Blue Shield of Michigan**. This notice reflects the pharmacy manager switching to Medco on July 1, 2010.

Due to this change your employees will be receiving new ID cards in the coming weeks. There is a notice with the card explaining the change, but you still might get questions. You may want to print out this information and post on your bulletin boards.

If you have any questions or concerns about this change, or any other aspect of your health insurance program please don't hesitate to contact our office. We appreciate your business and are here to service you whenever possible.

GA General Agency Company

Insurance since 1915

