

## Annual benefit plan limits for 2019

### Health and welfare

Benefits and contributions	2018 limit	2019 limit
<b>Flexible spending accounts (FSA)</b>		
Employee health FSA pretax contribution	\$2,650	\$2,700
Dependent care FSA household contribution	\$5,000	\$5,000
<b>Health savings accounts (HSA)</b>		
High deductible plan minimum deductible:		
Single coverage	\$1,350	\$1,350
Family coverage	\$2,700	\$2,700
High deductible plan maximum out-of-pocket:		
Single coverage (in-network)	\$6,650	\$6,750
Family coverage (in-network)	\$13,300	\$13,500
Annual contribution maximum:		
Single coverage	\$3,450	\$3,500
Family coverage	\$6,900	\$7,000
Catch-up contributions	\$1,000	\$1,000
<b>Qualified transportation fringe benefit exclusion</b>		
Transit passes and vanpooling	\$260 per month	\$265 per month
Qualified parking	\$260 per month	\$265 per month
<b>Employer pay or play penalties</b>		
4980H(a) penalty for failure to offer minimum essential coverage	\$2,320 <sup>1</sup>	TBD <sup>1</sup>
4980H(b) penalty for coverage that is not affordable or minimum value	\$3,480 <sup>1</sup>	TBD <sup>1</sup>
Affordability	9.56% <sup>2</sup>	9.86% <sup>2</sup>
Affordability safe harbor	9.56% <sup>3</sup>	9.86% <sup>3</sup>
Individual mandate penalty	Greater of (1) \$695 per adult and \$347.50 per child under 18 <sup>4</sup> or (2) 2.5% household income above tax filing threshold <sup>5</sup>	\$0
<b>Health reform fees</b>		
	For fees due in 2018:	For fees due in 2019:
Patient centered outcomes research (PCORI) fee	\$2.26 for plan years ending Jan. 1, 2017 to Sept. 30, 2017; \$2.39 for plan years ending Oct. 1, 2017 to Dec. 31, 2017	\$2.39 for plan years ending Jan. 1, 2018 to Sept. 30, 2018; \$2.45 for plan years ending Oct. 1, 2018 to Dec. 31, 2018
<b>Out-of-pocket maximum for essential health benefits</b>		
Maximum out-of-pocket costs for in-network essential health benefits (non-grandfathered plans only)	For plan years beginning in 2018: Self-only: \$7,350 Family: \$14,700 <sup>6</sup>	For plan years beginning in 2019: Self-only: \$7,900 Family: \$15,800 <sup>6</sup>

<sup>1</sup>These are the annualized amounts; however, the penalties are calculated on a monthly basis.

<sup>2</sup>Employee cost for self-only coverage as a percentage of household income.

<sup>3</sup>Employee cost for self-only coverage as a percentage of W-2 pay, mainland poverty level or hourly rate of pay.

<sup>4</sup>Capped at \$2,085 per family.

<sup>5</sup>Capped at the national average cost of a bronze level health plan for the applicable family size, offered through a marketplace.

<sup>6</sup>Must embed the self-only out-of-pocket limit.

## Key welfare plan notice/ filing deadlines for 2019

Notices/actions	Deadlines
ACA employer mandate reporting	
Forms 1095-C to ACA full-time employees	Jan. 31
Forms 1095-C or -B to primary insureds under self-funded coverage	Jan. 31
Forms 1095-C and/or -B with 1094-C and/or -B transmittal to IRS	February 28 if paper submission. April 1 if e-filed. <i>(Must e-file if submitting 250 or more reports, unless a waiver is obtained.)</i>
Form 5500	Seven months after close of the ERISA plan year.* <i>*A 2½-month extension is available by filing form 5558 by the initial due date.</i>
Summary annual report	Nine months after close of the erisa plan year, or two months after extended form 5500 deadline.
HIPAA privacy notice	Upon enrollment; also due within 60 days of material change, and upon request.
HIPAA special enrollment	When first offered the opportunity to enroll. <b>To CMS:</b> 60 days after beginning of the contract year or ERISA plan year.
Medicare Part D creditable and/or noncreditable coverage notice	<b>To members:</b> By Oct. 15, unless supplied within prior 12 months; also due upon material change in Rx coverage, and upon request.
Summary of material reduction in health benefits	60 days after change is adopted.
Summary plan description	90 days after coverage begins (120 days after new plan begins). <b>Open enrollment:</b> With OE materials; if automatic enrollment, with no chance to change coverage, not later than 30 days prior to new plan year. <b>Special enrollment:</b> Not later than 90 days after the special enrollment.
Summary of benefits and coverage (SBC)	<b>Eligible but not enrolled:</b> Make readily accessible. <b>Midyear plan change:</b> Not later than 60 days prior to the effective date of the change. <b>Upon request:</b> As soon as practicable, but no later than seven business days after the request.
Women's Health and Cancer Rights Act notice	At enrollment and prior to each plan year.
Disclosure regarding insurance exchanges	Within 14 days of new hire's start date.
Notice of retroactive coverage cancellation	No fewer than 30 days prior to the date of coverage cancellation.
W-2 reporting of health plan values	By Jan. 31 (exception for some small employers).
Notice of premium assistance under Medicaid or CHIP	Annually; recommend plan provide with enrollment materials.
Notice of grandfathered status	Include with any summary of benefits provided upon initial eligibility and/or at open enrollment.

## Annual benefit plan limits for 2019

### Retirement

Benefits and contributions	2018 limit	2019 limit
<b>Retirement</b>		
Elective deferrals to 401(k), 403(b) and 457(b) plans	\$18,500	\$19,000
Simple retirement account salary deferrals	\$12,500	\$13,000
Catch-up contributions to:		
401(k), 403(b) and 457(b) plans (Additional rules may apply to 457(b) plans)	\$6,000	\$6,000
SIMPLE retirement accounts	\$3,000	\$3,000
Maximum defined contribution plan annual contribution	\$55,000	\$56,000
Maximum annual benefit from defined benefit pension plans	\$220,000	\$225,000
Maximum annual compensation taken into account	\$275,000	\$280,000
Lookback year compensation limit for "highly compensated employees" *for 2019 determinations based on 2018 compensation **for 2020 determinations based on 2019 compensation	\$120,000*	\$125,000**
Deductible amount for individual making qualified retirement contributions to an IRA §219(b) (5)(a)	\$5,500	\$6,000
Dollar limit for "key employees" for top-heavy purposes	\$175,000	\$180,000
Social Security taxable wage base	\$128,400	\$132,900

Please refer to Lockton's Benefits Blog for the latest information.  
[locktonbenefitsblog.com](http://locktonbenefitsblog.com)



To connect with your account team or local Lockton office, please access Lockton's website.



## Key retirement plan notice/ filing deadlines for 2019

Notices/actions	Deadlines
401(k) safe harbor notice	30 to 90 days before the plan year begins.
ADP/ACP corrective distributions	2½ months after close of the plan year to avoid 10% excise tax (6 months if EACA requirements are met); else 12 months after close of the plan year.
Summary plan description	90 days after coverage begins (120 days after new plan begins).
Qualified/eligible automatic enrollment	<b>New hires:</b> Upon eligibility. <b>Other:</b> 30 to 90 days before the plan year begins.
Blackout notice	30 to 60 days prior to the blackout period.
Distribution of excess deferrals	By April 15 following the year to which the excess contribution relates.
Summary of material modification	Within 210 days after the close of the plan year in which the changes were adopted.
Form 5500	Seven months after close of the ERISA plan year.* <i>*A 2½-month extension is available by filing form 5558 by the initial due date.</i>
Summary annual report	Nine months after the close of the ERISA plan year, or two months after the extended form 5500 deadline.
Quarterly benefit statements	45 days after the close of the quarter (participant-directed plans) or seven months after close of plan year (account-based plans).
Qualified default investment alternative	30 days prior to eligibility or first investment, then 30 days before the plan year begins.
File form 5310-A	30 days prior to merger, consolidation, transfer, or spin-off of plan assets/liability.
Distribute notice of right to divest employer securities	Not later than 30 days prior to date right arises.
File Form 10 or form 10-adv with PBGC	30 days after reportable event occurs (certain events must be reported 30 days in advance).
Distribute 204(h) notices	45 days prior to effective date of amendment which reduces benefit accruals for single employer plans (15 days for small plans).
Distribute special tax notice, qualified joint and survivor annuity notice, and failure to defer receipt notice to individuals requesting distribution	30 to 180 days prior to distribution.
File Form 200 with PBGC	10 days after deadline for missed contribution.