

## 2018 January Newsletter

2018 is shaping up to be a busy year for changes in the human resource, benefit, and payroll areas for employers. Recent changes include:

### 2017 Tax Reform

- **Employee Moving Expense** – The moving tax exclusion and deduction for relocating employees has been suspended for taxable years 2018 until 2025. The value will now be included as taxable income and the deduction will be eliminated for individual taxpayers, except for members of the Armed Forces.
- **Qualified Transportation Fringe Benefit** – Deductions for transportation fringe benefits has been eliminated.
- **ACA Individual Insurance Mandate Penalty** – The penalty has been reduced to zero for failure to purchase medical insurance beginning in 2019. This change will not have a direct impact on employers, however it may cause employer-based health care insurance premiums to increase as healthy participants may opt out of employer provided coverage.
- **Length of Service Awards** - Employee achievement awards may be deductible if the award falls under the “tangible personal property” definition. Tangible personal property **excludes** cash, cash equivalents, gift cards, gift coupons or gift certificates, vacations, meals, lodging, tickets to theater or sporting events, and other similar items.

### Unpaid Interns

The U.S. Department of Labor (DOL) has adopted a new “primary- beneficiary” test to determine whether interns are employees and must be paid. Seven factors must be reviewed, as well as who is benefiting from the relationship to determine if the internship must be paid or unpaid.

### Expansion of Health Plans to Small Businesses

The DOL announced plans to expand the opportunity to offer employment-based health insurance to small businesses through Small Business Health Plans, also known as Association Health Plans. The proposed rule, which applies only to employer-sponsored health insurance, would allow employers to join as a single group to purchase insurance in the large group market, which would make health insurance more affordable.

*“The ultimate measure of a man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy. The true neighbor will risk his position, his prestige, and even his life for the welfare of others.” Martin Luther King Jr. Strength to Love, 1963*

**For help with any of your human resource needs, please contact [info@humanresourcesolutionsllc.com](mailto:info@humanresourcesolutionsllc.com)**

*This newsletter is intended to provide general guidance about recent topics in Human Resources. It is not a legal opinion. For answers to your specific questions, please consult with counsel.*