

October 2017

Court Orders EEOC to Reconsider Wellness Rules

The U.S. District Court for the District of Columbia has directed the Equal Employment Opportunity Commission (EEOC) to reconsider its final wellness rules under the Americans with Disabilities Act (ADA) and the Genetic Information Nondiscrimination Act (GINA).

The final rules allow employers to offer wellness incentives of up to 30 percent of the cost of health plan coverage. The court held that the EEOC failed to provide a reasonable explanation for adopting the incentive limit. Rather than vacating the final rules, the court sent them back to the EEOC for reconsideration.

It is unclear how the EEOC will respond to the court's decision. Due to this new legal uncertainty, employers should carefully consider the level of incentives they use with their wellness programs. Employers should also monitor any developments related to the EEOC's rules.

Final Wellness Rules

Federal laws affect the design of wellness programs, including two laws that are enforced by the EEOC—the ADA and GINA.

For many years, the EEOC did not definitively address whether incentives to participate in wellness programs are permissible under the ADA and, if so, in what amount. Earlier this year, the EEOC issued long-awaited final rules, but the court has now remanded the final wellness rules back to the agency for reconsideration.

Benefit Controls of South Carolina, Inc. will keep you updated with any developments on this matter. In the meantime, please contact your representative with any questions about how these rules may affect you.

DID YOU KNOW?

A federal judge struck down the Department of Labor's (DOL) overtime rule, which would have raised the Fair Labor Standards Act minimum salary threshold from \$23,660 to \$47,476.

Based on the court's ruling, the DOL will need to present a more reasonable salary threshold if it wishes to pass any future overtime rules. This means employers should continue operating as usual, but they should be aware that an increase is possible down the road.

New SBC Template Required for 2018 Open Enrollment

The updated template and related materials for the [summary of benefits and coverage](#) (SBC) are required for annual open enrollment periods beginning on or after April 1, 2017. For calendar year plans, this means that **the updated template must be used for the 2018 open enrollment period.**

Employers should do the following to prepare for the new SBC template and related materials for the 2018 open enrollment period.

- Self-funded plan sponsors should ensure that they are using the new template.
- Employers with insured plans should make sure the carrier is providing the correct version of the template.

Contact Benefit Controls of South Carolina, Inc. with any questions about preparing for your 2018 open enrollment period.