



Health Reimbursement Arrangement

Your employer may offer a benefit called a Health Reimbursement Arrangement (HRA). An HRA is a benefit whereby your employer will set aside funds to reimburse health care costs for you. This eases some of the paperwork burden on the employer and provides you just the right amount of health care benefit.

Beginning in 2020, employers may offer an Individual Coverage HRA (ICHRA) that allows employees to use HRA funds to purchase insurance on the individual market. If your employer will offer this beginning January 1, you can shop for a plan during the Health Insurance Exchange Open Enrollment Period, which is from November 1 through December 15. If your employer does not have the option set up by January 1, you will be able to enroll during a special enrollment period of 60 days following the implementation of the plan. Newly hired employees of an employer that offers an ICHRA will have the same special enrollment periods.

You'll receive a notice at least 90 days before the start of the program. So, if your employer elects to use the ICHRA option on January 1, you should have received your notice in early October. One additional benefit of an ICHRA is that the limitations on distributions is eliminated for an ICHRA. Before, the limit was \$5,150 for an individual, and \$10,450 for a family.

If you have any questions about how all this works, please give my office a call, and I'll be happy to go over the details with you. But watch out! The open enrollment period for obtaining health insurance ends December 15.

Important Tax Deadlines

- January 31 – W-2s and 1099s
- March 16 – Partnerships and S Corporations
- April 15 – Individuals, Trusts and Estates, and C Corporations
- September 15 – Extended deadline for Partnerships and S Corporations
- September 30 – Extended deadline for Trusts and Estates
- October 15 – Extended deadline for Individuals and C Corporations

Tax Notes

The Social Security Administration (SSA) has announced that the wage base for computing the Social Security tax (OASDI) in 2020 increases from \$132,900 to \$137,700. The quarter cost-of-living adjustment (COLA) coverage amount will rise from \$1,360 in 2019 to \$1,410 in 2020. The increase in the quarter of coverage amount also serves to increase the lower and upper limits under the optional methods for computing self-employment tax.

Did You Know?

Veteran's Day, which honors everyone who has served in the United States Armed Forces, is November 11. The date marks the end of the hostilities of World War I on the eleventh hour, of the eleventh day, of the eleventh month of 1918. Formerly known as Armistice Day, it became a national holiday in 1938.

Quote Corner

"It's not whether you get knocked down,
it's whether you get up."

~ Vince Lombardi

