

# The Insurance Insider

340 Route 202  
Somers, NY 10589  
800-514-3513



## A TAX BREAK YOUR EMPLOYEES WILL LOVE

*Parents won't pay extra taxes for keeping 20somethings on their health plans.*

### Do you have any employees with young adult children?

You probably do. Thanks to a recent IRS ruling, these employees just got a break: they won't have to pay additional federal taxes if they keep older kids on the company health plan. On April 27, the IRS stated that employer health care benefits provided to employees' children aged 26 or younger were "now generally tax-free to the employee" and that this was retroactively effective to March 30, 2010. (Workers can make pre-tax contributions to pay for the expanded coverage.)<sup>1</sup>

Prior to passage of the health care reform law, the age limit on such coverage was 19 (or 24 if the son or daughter was a full-time student).<sup>2</sup> The new law upped the age limit, and the big worry was that the extended coverage would be taxed. Additionally, this option is also available for select retiree health plans, and even self-employed individuals who qualify for the federal self-employed health insurance deduction.<sup>1</sup>

**Who qualifies?** IRS Notice 2010-38 (the ruling announcing this) defines a "child" as a son, daughter, stepchild, adopted child or eligible foster child. To qualify for the extension of health coverage, a child must be a) younger than 27 at the end of the year and b) already covered under the employer's plan or added to the employer's plan before turning 27.<sup>1</sup>

So if you sponsor a cafeteria plan, you can now let employees make pre-tax salary reduction contributions to foster this extended insurance coverage - even if the language of your plan has not yet been amended to incorporate the change. Plan sponsors have until the end of 2010 to do that.<sup>1</sup> IRS Notice 2010-38 describes everything in precise detail; you'll find it online at [www.irs.gov/pub/irs-drop/n-10-38.pdf](http://www.irs.gov/pub/irs-drop/n-10-38.pdf). The extended coverage to "kids" up to age 27 must be provided not later than plan years be-



We hope you enjoy this month's newsletter. In addition, why not check out our website for more tips and info: [www.healthplansny.com](http://www.healthplansny.com)

### Ask Yourself These Three Questions...

- 1- Does your health broker keep in contact with you, in some way, monthly?
- 2- Are you confident that you have explored every money saving technique developed in the last 12 months?
- 3- Has your broker set up and explained your health insurance benefits so that you could easily and simply explain it to someone in a 2 minute time period?

**If you answered no to one or more of these questions, you should call us today!**

ginning on or after September 23, 2010. Since most companies have calendar-year health plans, the coverage requirement for many businesses and organizations will start on January 1, 2011.<sup>2</sup>

# Interesting Facts *you* Should Know!

## 7 Simple Steps to Happiness and Success!

Are you feeling stuck on the roadmap of life? Have you longed for greater success and happiness, but haven't yet hooked the brass ring?

Albert Schweitzer once wrote, "Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful." Here are seven steps you can take today to achieve more happiness and success in your life:

- 1. Believe In Yourself.** Identify your natural talents and abilities. Do what you enjoy and what you do best. Truly successful and happy people find joy in their working lives. Invest your time in what you do best. Focus on your strengths and not your weaknesses.
- 2. Develop a Vision.** First, define your path and start working your plan. Write down a vision for yourself and your life. Be specific. What do you want to accomplish? What do you want your life to look like in 5 years, 10 years?
- 3. Develop Good Habits.** Happy and successful people choose good habits. If you're watching too much TV, chronically late, or eating poorly, make a commitment to change your bad habits into habits consistent with your goals.
- 4. Show Gratitude.** The happiest people are also the most grateful people. Count your blessings frequently and you'll quickly start seeing a change in yourself and the world around you.
- 5. Take A Chance.** Seize opportunities! Success and happiness does not come to those who sit and wait for it to be brought to them.
- 6. Give to Others.** Studies reveal that the happiest people are also the most generous. Do, say, or give something nice to another and see how your own life improves.
- 7. Take Responsibility.** You hold the key to your future. Take responsibility for your actions. Choose the work you like to do, and do it well. Ultimately, you are the master of your fate. You choose your own future by the decisions you make and the actions you take.



Special Thanks goes out to our great customers that referred us to their friends last month!

Janet Scacchi  
Bruce Martin  
Jan McDonald  
David Brodsky

**We Love Referrals! Thank you!**



**Did You Know?**

### Employers' Top Three Benefit Objectives

- 1—Controlling Benefit Costs**
- 2—Employee Retention**
- 3—Employee Productivity**

### What Employees Want

Employees said financial advice and guidance programs would improve productivity

77%

Employees said wellness programs would improve productivity

81%

Employees stated Work/life balance Programs would Improve productivity

82%

Source: Benefits Selling Magazine



According to The Department of Health and Human Services, over the course of retirement, retirees will spend an average \$200,000 on health care?

# The back page...

## Dental Insurance will Keep Your Employees Smiling!



One of the most requested benefits by employees in addition to health insurance is dental insurance. But many small employers do not offer dental insurance in their benefit programs because they believe dental insurance is expensive.

While Dental Insurance can be an added expense to an employer, it doesn't necessarily need to be expensive. We have several dental insurance programs that are very affordable and can be customized for companies with as few as 3 employees.

Here's a quick overview of what you need to know about dental plans.

Similar to health insurance, there are many types of **dental insurance**. Standard individual dental insurance plans include HMO dental plans and PPO

dental plans. HMO dental plans require that you choose one dentist or dental group to handle all of your dental care needs. PPO dental plans allow you to choose from a list of many different dentists in your area. There are also discount dental plans. These are not dental insurance, but can provide you with the freedom to visit many dentists at substantial discounts over their standard fees. Although they are becoming increasingly rare, indemnity dental insurance plans are also still available and provide the freedom to choose the dentist of your choice at a higher out-of-pocket expense.

*If you would like more information about dental plans that are available for your company or you would like a free, no obligation quote, give us a call..*



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HPNY  
340 Route 202, PO Box 299  
Somers, NY 10589

### June 2010

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