Mercer: Top 10 compliance issues for 2017 health benefit planning

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Employers need to keep pace with the latest Affordable Care Act and other developments impacting health plans, especially now that the U.S. Equal Employment Opportunity Commission has issued guidance on benefit plan design to protect workers.

From wellness programs to mental health parity, employers will need to be on top of many changes that will affect their health plans.

Click on the weight photo above for a countdown of Mercer LLC's top compliance issues that employers need to consider when planning for 2017.

Barbara McGeoch, principal of Mercer, said it's not too early to begin planning for next year's benefits, especially in materials that need to be sent out to employees.

For many years, employers have been designing their wellness programs around existing federal rules from the U.S. Department of Labor and the Internal Revenue Service.

But new guidance EEOC issued in mid-May is sending conflicting information to employers. The EEOC, which is focused on regulating employment action, which includes fringe benefits, now has a say in how incentives are valued, McGeoch said.

For one, McGeoch said, employers are going to have to reconsider their maximum incentives under wellness programs for 2017.

"Existing rules from the IRS and Labor have maximum incentives, but they're not the same maximum incentives," she said. "They don't work out in quite the same ways. You have to put them side by side and determine which is most restrictive. That's the task in front of you."

Anne Leary, an employment and labor attorney with Phoenix law firm Gallagher & Kennedy, said many of the incentives to participate in wellness programs will be taxable.

"If I meet certain goals, I might get a $25 gift card," Leary said. "That's a taxable event. A lot of employers don't know that."