

# Health Care Reform: Pay or Play Penalty – Special Rules for Educational Organizations

On Feb. 12, 2014, the IRS published regulations on ACA's employer penalty provisions, including methods for identifying full-time employees for penalty purposes. This ACA Overview summarizes the final regulations' special rules for identifying full-time employees of educational organizations. [Read more on this PDF.](#)

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## Properly Insuring Your Employees in Case of Injury



Chris Richmond

By Chris Richmond

Originally Submitted to [WorkBoat Magazine](#)

Shipyards and marine related business are comprised of a wide variety of jobs and with this variety comes different types of injury coverage for the people who work there. Just because you believe your employees are properly covered does not mean they

are. Take a moment to review these three areas of injury coverage.

### **Jones Act**

Officially called "The Merchant Marine Act of 1920," this covers employees who are considered crew members on your vessels. Seamen employed on vessels traveling from U.S. port to U.S. port are entitled to coverage under the Jones Act, with the coverage provided under a vessel's Protection and Indemnity policy. Crew are covered for injury and illness while 'in service to the ship' through the Maintenance and Cure portion of the coverage. Crew are also entitled to sue the ship or ship owner for unseaworthy or negligent conditions which they believe caused their injury. To be considered a crew member, the employee must spend roughly a third of their time at work in service to the ship.

### **USL&H**

Employees who are working around docks, wharves or servicing a vessel will fall under the U.S. Longshore and Harbor Workers Act. These are your stevedores, repair crew, crane operators or similar employee who service, load or go on and off vessels but are not considered crew members. The two determining factors for USL&H are Situs and Status, both of which need to be met in order to be eligible for this coverage. To meet the Situs test, an injury must have occurred while working on or near navigable waters. The Status test is met by the work being done. Exclusions include office workers, aquaculture and boat builders who build recreational vessels less than 65 feet in length. Even if you have a boat yard where you feel you would never have a USL&H risk, it is very inexpensive to have this added to your state workers compensation policy on an 'if any' basis. This way you have at least some defense covered should a USL&H claim be filed against you.

## **State workers compensation**

Your office staff and other employees are covered under your state workers compensation act. Keep in mind that if you have employees who work in other states besides the one where your business is located then you need to list these as well. State workers compensation acts are no-fault laws which means they cover a claim as long as the employee's accident happened within the scope of their employment.

This is a very quick explanation of a very important insurance coverage. Take the time to review your operation and exposure with your agent to help you get the coverage you need.

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# **Patrick Chamberlin Earns CIC Designation**

[Patrick Chamberlin](#), a member of the business insurance team at Allen Insurance and Financial, has earned the designation of Certified Insurance Counselor, one of the insurance industry's most highly respected designations.

"CICs are recognized for expertise and commitment to the industry and it is no surprise this is a designation Patrick has chosen to pursue," said [Michael Pierce](#), president of Allen Insurance and Financial. Earning the designation is just a first step on a path of rigorous, annual continuing education, Pierce noted.

Based at Allen's office in Camden, Chamberlin works with business insurance clients across a wide spectrum of industries.

He also holds the Management Liability Insurance Specialist and Commercial Lines Coverage Specialist designations.

The Certified Insurance Counselor program is maintained by the [National Alliance for Insurance Education & Research](#).

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# **To Keep or Not to Keep: A Guide to Common Records-Retention Questions**

Living in an increasingly paperless world has its benefits, but when it comes to records retention, does it make a difference? Sure, digital recordkeeping on the cloud means more storage space, easy access, and less vulnerability to inadvertent destruction. But the questions of what to keep and for how long feel just as confusing as ever.

## **Keep or Toss**

Whether your files are physical or electronic, the same principles and time frames for record retention apply. Below, we review some rules of thumb to consider for a few common financial documents. Keep in mind, though, this list is not exhaustive, and professional responsibilities and potential liability risks may vary.

### **ATM receipts, deposit slips, and credit card receipts.**

In general, you don't need to hold onto monthly financial statements after you verified your transactions—that is, unless statements include tax-related information. Also keep in mind

that if you dispute a transaction included in a statement, in most cases, you have 60 days from the statement date. Beyond 60 days, the bank may be alleviated of liability associated with the charge—so you may be on your own to try to get your money back.

### **Paycheck stubs.**

Once you receive your annual W-2, it's usually not necessary to retain your paystubs for the prior year. You may want to keep your year-end stub if it includes any tax-related information not reported on your W-2, however. Additionally, if you anticipate a life event in the near future that will require proof of recent income—applying for a home loan, for example—then plan to hang onto pay stubs from at least the past two months.

### **Tax returns.**

Determining when to purge tax returns usually depends on how long the IRS has to contest a given year's return. In most cases, it's a period of three years—assuming tax returns are filed properly and do not contain any knowingly fraudulent information. The time frame can extend up to six years for severely underreported income, and there's no time limit for the IRS to contest fraudulent returns. The same timing applies to the supporting documentation used in preparing a tax return, so you should also retain the financial and tax documentation—investment statements showing gains or losses and evidence of charitable contributions, for example—pertinent to the corresponding year's return. If you're unsure how long you should keep a specific tax return and accompanying paperwork, be sure to check with your accountant. Additionally, the IRS offers some [useful information](#) on time limitations that apply to retaining tax returns.

### **Old 401(k) statements.**

Once you've confirmed your contributions are recorded accurately, there's little need to keep each quarterly or monthly statement. It may be a good idea to keep each annual summary until the account is no longer active, however.

**Estate planning documents.** Although there's usually no distinction about whether records need to be retained in paper or digital form, there are certain instances where it's essential to have original legal documentation with the "wet" signature. This requirement holds true for estate planning documents. In most circumstances, a court will only accept a decedent's original last will and testament—a copy will not suffice. If you're unable to produce the original, the court may presume it doesn't exist, deeming the copy invalid. It's possible there are legal avenues you can pursue to get the court to accept a photocopy of a will, but this could prove to be a costly and stressful process.

## **Get Organized and Be Sure to Shred**

A good records-filing system is key to helping you maintain and easily access important documents. If you're storing things digitally, you can retain much more than any filing cabinet could hold, making it easy to take a more liberal approach to what you save. Keep in mind, the retention guidelines for many documents aren't clear-cut. When you're unsure, start by assessing what purpose the document may serve in the future. And it's always important to consult the appropriate financial, tax, or legal professional for advice on specific records. Finally, remember when it comes to materials that include personal information, if you're not keeping it, then you should be shredding it.

*This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our*

*information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.*

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# Construction Bonds 101

[By Kristina Campbell](#)

A construction bond, also known as a surety bond, protects a project owner if a contractor fails to complete a job, doesn't pay for permits or fails to meet other financial obligations such as paying for supplies or subcontractors.

Surety bonds are important, and quite common, in the construction industry. They typically come in three types:

- **A Bid Bond** is issued to the project owner to provide a guarantee that the winning bidder will honor the contract under the terms at which they bid.
- **A Performance Bond** guarantees that the contractor will perform the services as described in the contract. A bid bond is replaced by a performance bond when a bid is accepted and the contractor proceeds to work on the project.
- **A Payment Bond** guarantees that a construction company will pay its laborers (employees and subcontractors) and suppliers throughout the construction project.

A surety bond is a contract between three parties:

1. **The Principal** is the party purchasing the bond and undertaking an obligation to perform the job as promised.
2. **The Obligee** is the party requiring and receiving the

protection of the bond.

3. **The Surety** is the insurance company or surety company that guarantees the obligation will be performed.

How do you know if you need a construction bond? The project owner will decide.

*Kristina Campbell has been working with contractors across Maine for their insurance and bonding needs for more than 15 years.*

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## Allen Insurance and Financial Earns Diamond Achiever Award in Maine

Allen Insurance and Financial has been named Maine's 2020 Diamond Achiever by [Patriot Insurance](#) Company. The annual award is presented to the highest performing agency based on set criteria including length of appointment, profitability, growth, and policy retention. Each year, the top Patriot Insurance Company agencies receive the "Diamond Achiever" award in recognition of their outstanding accomplishment.

Patriot Insurance Company President and CEO, Lincoln Merrill Jr. explains, "We are proud to present Allen Insurance and Financial with our Diamond Achiever award. Through their hard work and commitment to providing superior services, support and products, it is well deserved."

This recognition exemplifies their commitment to providing quality, professional insurance products and services to our



mutual clients.

The results achieved by the team at Allen Insurance and Financial helped the agency become one of the most successful among Patriot Insurance Company's more than 115 independent agencies.

"The team at Allen Insurance and Financial is dedicated to providing the protection our clients need accompanied by the highest level of service. We are all very proud to be recognized by our colleagues at Patriot Insurance. Strong partnerships like ours benefit everyone in the industry – carriers, agents and clients, " said Michael Dufour, executive vice president of Allen Insurance and Financial.

Allen Insurance and Financial has been licensed with Patriot Insurance Company since 1993 is recognized as one of the carrier's Preferred independent insurance agency partners.

## **About Patriot Insurance**

Patriot Insurance has been providing peace of mind for families and businesses in New England for over 50 years. Headquartered in Yarmouth, Maine, we are a regional carrier offering business, home, auto, life, and surety products backed by local, autonomous claims, loss control, and underwriting teams.

We work exclusively with independent agents who can give our customers the personal guidance and service they deserve. Since 2007, we have partnered with Frankenmuth Insurance, a longstanding company founded in Michigan in 1868. Patriot Insurance is financially sound, with an A.M. Best rating of "A" (Excellent).

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# How to Handle a Surprise Medical Bill

If you've ever received a surprise medical bill, you're not alone. According to a survey conducted by NORC at the University of Chicago, over half of American adults have been surprised by a bill that they had assumed would be covered by their medical insurance. Moreover, only 1 in 5 of these surprise bills were the result of a patient actively seeking out-of-network care. [This handout](#) will explain balance billing, how to handle a surprise medical bill and offer tips on how to avoid receiving one in the future.

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## Meesha Luce Earns CPIA Designation

[Meesha Luce, ACSR](#), a member of the personal insurance team at Allen Insurance and Financial, has earned the Certified Professional Insurance agent designation from the American Insurance Marketing and Sales Society.

The CPIA designation emphasizes critical skills in insurance underwriting, coverages marketing and client services.

Meesha is a member of the MIAA Young Agent Committee, and was named Maine's Young Agent of the Year in 2017. She joined Allen

Insurance and Financial in 2006.

She also holds an Accredited Customer Service representative (ACSR) designation. A graduate of Medomak Valley High School, Luce lives in Hope.

“All of us here at Allen are incredibly proud of Meesha’s professionalism and commitment to both customers and community,” said Scott Carlson, personal insurance division manager at Allen Insurance and Financial. “Meesha is a real embodiment of our company’s values.”

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# **Individual Health Insurance Newsletter – April 2021**

## **Special Enrollment Period Update**

The 2021 special enrollment period for individual health insurance has been extended to Aug. 15, 2021.

This means anyone – Americans without health insurance as well as those who have already enrolled in a HealthCare.gov plan for 2021 – have a chance to check out their health insurance marketplace options offered through the Affordable Care Act, also known as Obamacare, outside the regular Nov. 1 through Dec. 15 period.

If you have questions about if this would apply to you, please feel free to reach out to us.

## **Extra Tax Credits**

The American Rescue Plan (ARP) – the recently passed federal stimulus legislation – may help you save additional money if you're already receiving federal aid for your individual health insurance. Here are some things you should know:

- The new law will lower premiums for most people who currently have a Marketplace health plan and expand access to financial assistance for more consumers.
- An enhanced tax credit is available beginning on April 1. Financial assistance is retroactive to Jan. 1, 2021 via 2021 tax filing reconciliation for individuals and families that received their health insurance through the Marketplace.
- Premiums after these new savings will decrease on average by \$50 per person per month, or by \$85 per policy per month.

To take advantage of the increased tax credits, we encourage you to call the Health Insurance Marketplace at (800) 318-2596 or visit [healthcare.gov](https://healthcare.gov). The Marketplace call center is open 24/7 and can be accessed round the clock. If you don't take action to update your Marketplace application, you will receive the additional tax credits when you file your 2021 tax return.

## **Moving to a Marketplace Plan**

If you are currently enrolled in a health plan outside of [HealthCare.gov](https://healthcare.gov) (directly enrolled with the insurer) and paying full price for your policy, you may now qualify for federal aid to help pay your premiums because of changes implemented under the American Rescue Plan (stimulus bill).

If your health insurance premiums are more than 8.5% of your household income, federal aid may be available to lower your insurance costs. To see if your estimated 2021 income is in the

range to qualify for a premium tax credit, please visit <https://www.healthcare.gov/see-plans>.

If you do think you'll be eligible for federal aid, please contact us so we can discuss next steps with moving your health insurance from a direct enrollment without federal aid to a Marketplace plan with federal aid. We have until Aug. 15, 2021 under the Special Enrollment Period to make a plan change.

## **Midcoast Senior Expo**

We're excited to announce that we will have a table at the Midcoast Successful Aging Expo, scheduled for June 15 from 9 a.m. to 2 p.m. at the Rockland Elk's Club. This is our first in person event in more than a year and we're looking forward to connecting with our clients and community. This event is free and open to the public.

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# **Medicare Newsletter – April 2021**

## **Traveling? Please Check Your Coverage First**

For those of you itching to travel, if you are leaving Maine for any length of time it is important to understand how your benefits travel with you both within the U.S. and outside of the country. For example:

- Coverage during domestic travel may depend on whether you have an Advantage plan or basic Medicare, and whether you are seeking emergency or routine care.

- Medicare generally does not cover any medical costs outside of the U.S. and its territories.
- Some Medigap plans – which can only be paired with basic Medicare – offer limited coverage for travel beyond U.S. borders.

Many Advantage plans are required to cover your emergency care anywhere in the U.S. and in an emergency many will go above and beyond what Medicare covers to provide coverage outside the U.S.

If you plan to travel outside the U.S., it's wise to consider a stand-alone travel medical plan which can cover illnesses, emergencies and medical evacuation. We offer this coverage year-round. We are happy to discuss your options with you.

## **Dental Coverage Available Year-Round**

Oral health directly affects overall health and quality of life. Unfortunately, this is often a gap in coverage, especially when it comes to original Medicare. The good news is you can purchase a stand-alone dental plan any time of year.

We have 5+ plans from Delta Dental, ranging in price from \$30 to \$90 per month. Some of the plan highlights include:

- Competitively priced plans with a variety of coverage options
- One-time (lifetime) deductible
- High annual maximums up to \$2,000 per person
- Access to the nation's largest dental PPO Network
- A vision discount program is included (Sears Optical, Lens Crafters, Pearle Vision, Target Optical, etc.)

If you'd like to explore your options, please reach out to us. We'd be happy to explain the coverage options available and help determine which plan best aligns with your needs.

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