



## U.S. Regulations & Legislation – Understanding Its Impact on Total Rewards

Cara Woodson Welch, Esq.  
Director, Public Policy, WorldatWork

---

---

---

---

---

---

---

---

### Polling Questions

- How big is your company?
- What area of total rewards do you focus on?
  - Compensation
  - Benefits
  - Work-life
  - All
  - Other
- Are you a multinational, multistate or single state company?

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Agenda

- Total Rewards Model
- The Impact of Congress and the Obama Administration on Total Rewards
  - Public Policy Landscape 2010/ 2011
- The Impact of the US Supreme on Total Rewards
  - Supreme Court Landscape 2010/ 2011
- New Developments Impacting Total Rewards
  - Recent Laws/Final Regulations
  - Potential Developments in Key Public Policy Issues
    - Obama Administration
    - 111th Congress
    - Proposed Regulations

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---



### U.S. Regulations & Legislation – Understanding Its Impact on Total Rewards

Cara Woodson Welch, Esq.  
Director, Public Policy, WorldatWork

---

---

---

---

---

---

---

---

### Polling Questions

- How big is your company?
- What area of total rewards do you focus on?
  - Compensation
  - Benefits
  - Work-life
  - All
  - Other
- Are you a multinational, multistate or single state company?

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Agenda

- Total Rewards Model
- The Impact of Congress and the Obama Administration on Total Rewards
  - Public Policy Landscape 2010/2011
- The Impact of the US Supreme on Total Rewards
  - Supreme Court Landscape 2010/2011
- New Developments Impacting Total Rewards
  - Recent Laws/Final Regulations
  - Potential Developments in Key Public Policy Issues
    - Obama Administration
    - 111th Congress
    - Proposed Regulations

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---



## U.S. Regulations & Legislation – Understanding Its Impact on Total Rewards

Cara Woodson Welch, Esq.  
Director, Public Policy, WorldatWork

---

---

---

---

---

---

---

---

### Polling Questions

- How big is your company?
- What area of total rewards do you focus on?
  - Compensation
  - Benefits
  - Work-life
  - All
  - Other
- Are you a multinational, multistate or single state company?

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Agenda

- Total Rewards Model
- The Impact of Congress and the Obama Administration on Total Rewards
  - Public Policy Landscape 2010/2011
- The Impact of the US Supreme on Total Rewards
  - Supreme Court Landscape 2010/2011
- New Developments Impacting Total Rewards
  - Recent Laws/Final Regulations
  - Potential Developments in Key Public Policy Issues
    - Obama Administration
    - 111th Congress
    - Proposed Regulations

Intermountain Compensation & Benefits Association

---

---

---

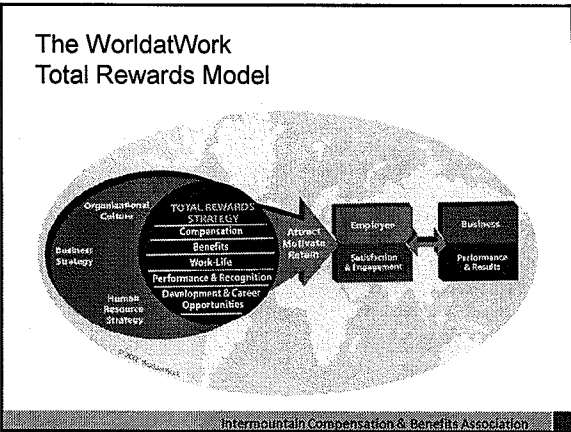
---

---

---

---

---



---

---

---

---

---

---

---

---

The Impact of Congress and the Obama Administration on Total Rewards

2010/2011 Public Policy Landscape

Total Rewards  
Federal Legislative /  
Regulatory Updates  
and Trends

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Obama Administration Summary

- Significant increase in new laws and regulations impacting Human Resources
- Employer individual mandates
- State incentives for innovation
- Emphasis on domestic employee issues
  - Ex: labor, pay equity, expansion of paid leave, retirement
- Use of the Bully Pulpit

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

111<sup>th</sup> Congress

	Senate	House
Democrats	57	255*
Republicans	41	178*
Independents	2	0
Average Age	63	56
Number of Women	17(17%)	76(17%)
Bills introduced as of 8/31	4480	8116
Bills enacted into law	<b>237</b>	

Intermountain Compensation & Benefits Association

---

---

---

---

---


---

---

---

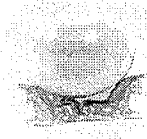
---

---



The Impact of the Supreme Court on Total Rewards

2010/2011 Supreme Court Landscape



Total Rewards  
Federal Legislative /  
Regulatory Updates  
and Trends

---

---

---

---

---

---

---

---

---

---

2010 / 2011 U.S. Supreme Court

- 2010 Key Labor and Employment Law Cases
- U.S. Supreme Court membership
- 2011 key upcoming cases in Labor and Employment Law

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### 2010 Key US Supreme Court Cases

- ERISA case
  - *Conkright v. Frommert*
    - Must a court give deference to a plan administrator's interpretation of benefits when issued outside of the administrative claims process?
    - 5-3 decision on 4/21/2010. The Supreme Court reversed the decision of the lower courts and ruled the appellate court should have applied a deferential standard of review to the Plan administrator's new interpretation of the Plan.
- Title VII disparate impact case
  - *Lewis v. City of Chicago*
    - When does the clock begin running for filing a timely claim with the Equal Employment Opportunity Commission (EEOC)?
      - Only when the original decision is adopted?
      - Or also when the decision is applied?
    - Unanimous decision on 5/24/2010. The Supreme Court reversed the decision of the appellate court and ruled that the City's later application of the discriminatory practice begins the clock again.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

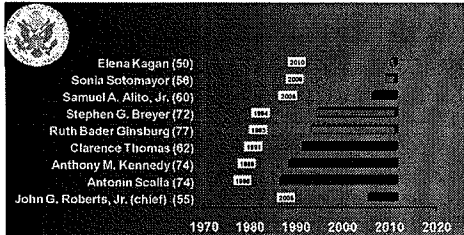
---

---

---

---

### Current U.S. Supreme Court Members



Recent 5-4 Decisions, like *Ledbetter*, show that the next Presidential nominee can change how a court might vote on cases like this.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Newest Supreme Court Justice



- Served as President Bill Clinton's Associate White House Counsel.
- Served as Dean of Harvard Law School where she barred military recruiters from the Office of Career Services.
- Was appointed as Solicitor General by Pres. Obama in 2009.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### 2011 Key US Supreme Court Cases

- Constitutional Right to Privacy
  - *NASA v. Nelson*
    - Do federal contract employees have a constitutional right to privacy with regards to information regarding illegal drug use within the last year or other adverse information that may have a bearing on the suitability for the employment at the federal facility when the information gathered is only used for employment purposes and is protected under the privacy act?
- Anti-Retaliation
  - *Kasten v. Saint-Gobain Performance Plastics*
    - Is an oral complaint of a violation of the FLSA protected conduct under anti-retaliation provisions?
- Discrimination
  - *Staub v. Proctor Hospital*
    - In what circumstances may an employer be held liable based on the unlawful intent of officials who caused or influenced but did not make the ultimate decision?

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### 2011 Term Key US Supreme Court Cases

- ERISA case
  - *Cigna Corp. V. Amara*
    - Whether a showing of "likely harm" is sufficient to entitle participants in or beneficiaries of an ERISA plan to recover benefits based on an alleged inconsistency between the explanation of benefits in the Summary Plan Description or similar disclosure and the terms of the plan itself?
- Anti-Retaliation
  - *Thompson V. North American Stainless*
    - Does Title VII forbid an employer from retaliating against a third party such as a family member or person closely associated with the employee who engaged in protected activity?
    - May it be enforced in a civil action brought by the third party victim?

Intermountain Compensation & Benefits Association

---

---

---


---

---

---

---

---



### New Legislative / Regulatory Developments Impacting Total Rewards

Total Rewards  
Federal Legislative / Regulatory Updates and Trends

---

---

---

---

---

---

---

---

**Key Total Rewards Issues**

- Compensation
  - Financial Regulatory Reform & Executive Compensation
  - Other Compensation Issues
- Benefits
  - Retirement savings Issues
  - Work-Family Issues
  - Health Care Reform Implementation

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

**Compensation**

- Financial Regulatory Reform & Executive Compensation
- Other Compensation Issues

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

**Financial Regulatory Reform & Executive Compensation**

- Passed by the House on 6/30/2010, passed by the Senate on 7/15/2010, signed into law by Pres. Obama on 7/21/2010.
- Institutes a variety of restrictions on executive compensation.
  - Vote on Executive Pay
    - Requires companies to submit a resolution to shareholders to approve compensation of named executive officers.
  - Golden Parachutes
    - Companies must submit a non-binding advisory vote to shareholders in connection with a merger or acquisition that provides a clear description on any agreements with Named Executive Officers that will be impacted by the merger or acquisition.
  - Nominating Directors
    - Gives the SEC authority to grant shareholders proxy access to nominate directors.
  - Independent Compensation Committees
    - Standards for listing on an exchange will require that compensation committees include only independent directors and have authority to hire compensation consultants.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Financial Regulatory Reform & Executive Compensation (con't)

- **Additional restrictions**
  - **Clawback Provisions**
    - Requires that public companies set policies to take back executive compensation if it was based on inaccurate financial statements that don't comply with accounting standards.
  - **SEC Review**
    - Directs the SEC to clarify disclosures relating to compensation, including requiring companies to provide charts that compare their executive compensation with stock performance over a five-year period.
  - **Disclosure of Pay Versus Performance**
    - Requires companies to disclose the relationship between the executive compensation and the financial performance of the company.
  - **Disclosure of Pay Ratio**
    - Companies will be required to disclose the ratio of median annual total compensation of all employees to the annual compensation of the CEO.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Financial Regulatory Reform Implementation

- House Financial Services implementation hearing on Thursday, Sept. 23<sup>rd</sup> included a timeline information regarding regulatory schedule:
  - **Say on Pay--Shareholder Advisory Vote on Executive Pay:** adopt final rules prior to the 2011 proxy season
  - **Independent Compensation Committees and Advisors:** Commission plans on proposing rules soon
  - **Disclosure of Pay versus Performance/ Disclosure of Pay Ratio:** goal is to publish proposed requirements by July 2011
  - **Clawback Provision:** goal is to publish proposed requirements by July 2011
- Congressional sources indicate that Republicans might attempt to "re-open" the Dodd-Frank bill in the 112<sup>th</sup> to make some changes to the Consumer Protection Agency which would open the door to other possible amendments to the existing legislation

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Other Compensation Issues

- **Paycheck Fairness Act**
  - Amends the fourth affirmative defense in the Equal Pay Act (EPA) to state that unequal pay for equal work is only allowed for a "bona fide factor other than sex, such as education, training, or experience."
  - Amends the EPA's definition of "establishment" to include employees who work for the same employer at workplaces located in the same county or similar political subdivision of a state, rather than employees who work at the same physical location
  - Gives protections to employees who ask about, discuss, or disclose their wages with another employee
  - Allows for unlimited compensatory and punitive damages in cases where pay discrimination based on sex is found and changes the treatment of class-action pay discrimination suits brought under the EPA from employees must opt-in to the suit to employees must opt-out of the suit.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Other Compensation Issues (con't)

- **Ledbetter Fair Pay Act Impact**
  - EEOC has reviewed over 1,100 cases previously closed and an additional 4,800 charges were filed with the EEOC alleging wage discrimination. 1,900 cases similar to Ledbetter were filed.
    - Over the last three fiscal years, the EEOC has seen a 30% increase in charges of wage discrimination based on sex.
    - Through the administrative enforcement process alone, the EEOC obtained about \$19 million in compensation for plaintiffs of wage discrimination cases in FY 2009.
    - The Commission is currently litigating 14 cases that include allegations of sex-based wage discrimination.
  - The EEOC will be working with the Justice Department to improve interagency coordination and enforcement efforts to maximize effectiveness of existing authorities in enforcing the Equal Pay Act.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Benefits

- Retirement savings Issues
- Work-Family Issues
- Health Care Reform Implementation

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### 111<sup>th</sup> Congress Activity on Retirement Issues

- **401(k) Fee Disclosure Act of 2009**
  - Would prohibit an administrator of an individual account plan that includes a qualified cash or deferred arrangement from contracting for services to the plan unless the administrator has received in advance a written statement that describes the services to be provided, identifies any other entity performing such services, provides the expected total annual service charges allocated among specified components, and discloses financial relationships with, or free or discounted services provided by, other parties.
- **Conflicted Investment Advice Prohibition Act of 2009**
  - Would amend ERISA to provide for independent investment advice for participants and beneficiaries under individual account plans.
- Multiple hearings held on older workers, preserving Social Security, and encouraging the use of annuities in defined contribution plans.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Retirement Regulatory Agenda

- Investment advice regulations proposed on March 2, 2010.
- Lifetime income from retirement plans
  - DOL focusing on ways to secure lifetime streams of income for participants in defined contribution plans. After releasing the RFI on this topic, they held an open hearing where there was a consensus around a few items:
    - Need for a strong safe harbor for employers providing financial advice for the spend down phase;
    - Updating Bulletin 98-1 to clarify employer fiduciary liability for providing financial education for the spend down phase of retirement saving;
    - Need for disclosure of savings as a stream of income rather than a lump sum;
    - Need to change the focus from the accumulation phase of retirement savings to the spend down phase;
    - Need to avoid mandates to give employers flexibility in plan design.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Administration's Proposal on Work-Family Issues

- Middle Class Working Families Task Force
  - Aim to raise living standard of middle class
  - One of the goals: Improving Work and Family Balance
  - Offered a series of proposals right before the State of the Union
- White House Council on Women and Girls
  - Initiative within federal agencies
  - Ensure that American women and girls treated fairly in all matters of public policy
  - Healthy families/improve women's health care
  - White House Forum on Workplace Flexibility

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Administration Activities

- Recently the Task Force and the Council held a meeting on pay equity and enforcement of the Equal Pay Act.
  - 5 recommendations:
    - Improve interagency coordination and enforcement efforts to maximize effectiveness of existing authorities.
    - Collect data on the private workforce to better understand the scope of the pay gap and target enforcement efforts.
    - Undertake a public education campaign to educate employers on their obligations and employees on their rights.
    - Implement a strategy to improve the federal government's role as a model employer
    - The Administration should work with Congress to pass the Paycheck Fairness Act.
  - The DOL will also be updating its 2001 FMLA usage survey along with sponsoring a supplement to the Bureau of Labor Statistic's American Time Use survey.
    - To gather more information on parental leave, child care, family leave insurance program usage, and other issues related to the intersection of work and family responsibilities.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Upcoming Revisions to FMLA Regulations

- Implementing recent expansions of FMLA law
  - New law expands exigency leave to family members of active-duty service members deployed to a foreign country.
  - The provision would also expand the 26 weeks of military caregiver leave to veterans by revising the definition of "covered active duty service member" to include a veteran who is undergoing medical treatment, recuperation or therapy for serious injury or illness that occurred at any time during the five years preceding the date of the treatment.
  - Provisions that make it easier for Airline employees and flight attendant to use FMLA.
  - Revisions to reverse regulations that became effective in January 2009.
- Regulations expected in November, 2010

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### New FMLA Administrator's Interpretation

- New Administrator's Interpretation on interpretation of "in loco parentis" in regards to the definition of "son or daughter"
  - It is the Administrator's interpretation that the regulations do not require an employee who intends to assume the responsibilities of a parent to establish that he or she provides both day-to-day care and financial support in order to be found to stand in loco parentis to a child.
  - Either day-to-day care OR financial support may establish an "in loco parentis" relationship where the employee intends to assume the responsibilities of a parent with regard to a child.
    - In all cases, the Interpretation states, whether an employee stands in loco parentis to a child will depend on the particular facts.
  - All that is needed to document an "in loco parentis" relationship is a simple statement asserting that the requisite family relationship exists

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Work-Family Bills in the 111<sup>th</sup> Congress

- Healthy Families Act
  - Requires employers to offer 56 hours of paid sick leave per year
- Family Leave Insurance Act
  - 12 weeks paid family and medical leave paid from federal trust fund
- Family and Medical Leave Restoration Act
  - Repeals parts of the newly revised FMLA rules
- Family and Medical Leave Enhancement Act
  - Allow employees to take parental involvement leave

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Work-Family Bills in the 111<sup>th</sup> Congress

- Working Families Flexibility Act
  - To permit employees to request, and ensure employers consider requests for, flexible work terms and conditions.
- Expanding Dependent and Child Care Act of 2009
  - To amend the Internal Revenue Code of 1986 to increase the exclusion for employer-provided dependent care assistance.
- Work-Life Balance Award Act of 2010
  - Would establish a national award (through the Department of Labor) for private and public sector employers that develop and implement work-life balance policies, defined in the bill as workplace practices "designed to enable employees to achieve a satisfactory work-life balance."

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Work-Family Bills in the 111<sup>th</sup> Congress

- Federal Telework Legislation
  - Telework Improvements Act
    - Passed by House on July 14, 2010
    - Would create a Telework Managing Officer in each federal agency, create a telework policy for all federal employees, and allow federal employees to telework at least 20 percent of the hours worked in every two administrative workweeks.
  - Telework Enhancement Act
    - Passed by Senate on May 24, 2010
    - Would require each executive agency to establish a telework policy, determine and notify eligible employees, provide an interactive telework training program, and ensure that no distinction is made between teleworkers and nonteleworkers for purposes of performance appraisals, work requirements, or other acts involving managerial discretion.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### National Work and Family Month

- In 2008, 2009, and 2010 Congress has declared October to be National Work and Family Month.
  - 2008 – Only introduced and passed in House
  - 2009 – House and Senate passed unanimously
  - 2010 – Introduced in House / Introduced in Senate and approved unanimously
- Sens. Blanche Lincoln (D-AR) and Michael Crapo (R-ID), co-chairs of the Senate Workplace Flexibility Study Group, have been the lead sponsors in the Senate.
- Reps. Carolyn McCarthy (D-NY) and Todd Platts (R-PA) are the lead sponsors of the House resolution for the third year in a row.
  - McCarthy is Chairwoman and Platts is Ranking Member of the Healthy Families and Communities Subcommittee of the House Education and Labor Committee.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### New Health Care Reform Law

- The Patient Protection and Affordable Care Act
  - President Obama signed into law on March 23, 2010.
- The Reconciliation Act of 2010
  - President Obama signed into law March 30, 2010.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Key Provisions in the New Health Care Reform Law

- **Effective July 26, 2010:**
  - Ending January 1, 2014, a \$5 billion temporary reinsurance program is established to provide reimbursement to participating employment-based plans for part of the cost of providing health benefits to retirees (age 55-64) and their families. Participating employment-based plans will be reimbursed for 80% of the cost of benefits provided per enrollee in excess of \$15,000 and below \$90,000. Plans are required to use the funds to lower costs borne directly by participants and beneficiaries. Applications are available now.
- **Effective Sept. 23, 2010:**
  - All existing health insurance plans must provide coverage for dependant and non-dependant children up to age 26. For coverage of non-dependant children prior to 2014, the requirement on group health plans is limited to those adult children without an employer offer of coverage.
  - Individual and group plans are prohibited from placing lifetime limits on the value of coverage and, prior to 2014, may only impose annual limits on coverage as determined by the Secretary of Health and Human Services.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Key Provisions in the New Health Care Reform Law

- **Effective Sept. 23, 2010 (continued)**
  - Ban insurance companies from denying coverage for kids based on preexisting conditions. (In 2014, this rule will be expanded to apply to patients of all ages.)
  - Prohibit insurers from using unintentional application errors to drop coverage when patients get sick.
  - Require all new health plans to cover a minimum set of preventive care services.

All but the last provision apply to all insurance plans even those in existence when the law was enacted in March.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

**Key Provisions in the New Health Care Reform Law**

■ **Effective Jan. 1, 2011 / 2011 Tax Year:**

- Employers are required to disclose the value of each employee's health insurance coverage on the annual Form W-2.
- The penalty for distributions from HSAs that are not used to pay for health-related expenditures is increased from 10% to 20%. Nontaxable reimbursements from health FSAs, HRAs and HSAs can no longer be used for medicine or drugs unless the medicine or drug is prescribed or is insulin.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

**Key Provisions in the New Health Care Reform Law**

■ **Effective Jan. 1, 2013 / 2013 Tax Year:**

- Health FSA contributions are limited of \$2,500/year and the limit is indexed to cost-of-living adjustments in the following years in increments of \$50.
- The FICA tax paid on wages above \$200,000 (\$250,000 in the case of joint returns) is increased by 0.9%. Increase is only applicable to amounts paid by the employee.
- The deduction for the subsidy for employers who maintain prescription drug plans for their Medicare Part D eligible retirees is eliminated.
- The Centers for Disease Control study and evaluation of best employer-based wellness practices and release of an educational campaign and technical assistance to promote the benefits of worksite health programs. This study will be conducted in regular intervals after the initial one.
- Limit the deductibility of executive compensation under Section 162(m) to \$500,000 for insurance providers if at least 25% of the insurance provider's gross premium income from health business is derived from plans that meet the minimum essential coverage requirements of the bill. This applies to all officers, employees, directors and other workers or service providers performing services for or on behalf of a covered health insurance provider.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

**Key Provisions in the New Health Care Reform Law**

- The Secretary of Labor shall conduct a survey of employer-sponsored coverage to determine the benefits typically covered by employers, including multi-employer plans, and provide a report on such survey.
- Employers that provide health coverage would be prohibited from limiting coverage eligibility based on the wages or salaries of full-time employees.
- Any wellness or health-promotion activity implemented under this Act may not require the disclosure or collection of any information relating to the lawful use or possession of a firearm.
- Amend the Fair Labor Standards Act (FLSA) to ensure that employees who receive premium tax credits are not discriminated against with respect to their compensation, terms, conditions or other privileges of employment.
- Amend the FLSA to require employers with 50 or more employees to provide break time and a place for breastfeeding mothers to express milk.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

---

---

### Health Care Reform Implementation

- Interim Final Rules released:
  - Preexisting Condition Exclusions, Lifetime and Annual Limits, Rescissions, and Patient Protections
    - Group health plans and health insurance issuers are generally prohibited from imposing lifetime and annual limits on the dollar value of health benefits.
      - Does not apply to FSAs, MSAs, or HSAs.
    - Allows "restricted annual limits" with respect to "essential health benefits" as defined by the statute up to 2014.
  - Preventive Care
    - Plans have to cover four categories: Screenings strongly recommended with a grade of "A" or "B" by the U.S. Preventive Services Task Force; routine vaccines from childhood immunizations to tetanus boosters for adults; well-baby visits to a pediatrician, vision and hearing tests for kids, and counseling to help youngsters maintain a healthy weight; and women's health screenings.
    - Does not apply to grandfathered plans.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Health Care Reform Implementation (con't)

- Interim Final Rules released on:
  - Extension of Dependent Care Coverage
    - Plans and issuers that offer dependent coverage must offer coverage to enrollees' adult children until age 28, even if the young adult no longer lives with his or her parents, is not a dependent on a parent's tax return, or is no longer a student.
    - Plans and issuers must give children who qualify an opportunity to enroll that continues for at least 30 days regardless of whether the plan or coverage offers an open enrollment period.
    - Must be offered the same plan as similarly situated individuals and cannot be charged more for the same plan.
  - Definition of Grandfathered Plans
    - Companies can make "routine and modest" changes to the health plan would be allowed under the new regulations, while "significant" cost hikes or benefit cuts would cause plans to lose their exempt status.

Intermountain Compensation & Benefits Association

---

---

---

---

---

---

---

---

### Bottom –Line: Big Issues this year?

- Implementation of various reform bills
  - Health care reform – still waiting on various regulations and businesses working on responding to ones being released.
  - Financial regulatory reform – the SEC has to conduct 20 studies and write more than 90 new rules based on the new law.
- Big Focus is still on unemployment/jobs and tax issues.
- Other issues we could see movement on this year:
  - Paycheck Fairness Act
  - Renewal of Bush Tax Cuts?
- November 2010 elections
- Lame duck session?

Intermountain Compensation & Benefits Association

---

---

---


---

---

---

---

---



**Questions & Answers**

Total Rewards  
Federal Legislative /  
Regulatory Updates  
and Trends

---

---

---


---

---

---

---

---



**Thank you !**

**More Questions?**  
Contact: **Cara Woodson Welch, Esq.**  
Director, Public Policy  
E-mail: [cara\\_welch@worldatwork.org](mailto:cara_welch@worldatwork.org)  
Phone: 202/315-5504  
[www.worldatwork.org](http://www.worldatwork.org)

Carrle Clark Public Policy Analyst <a href="mailto:carrle.clark@worldatwork.org">carrle.clark@worldatwork.org</a> Phone: 202/315-5517	Katie Vlastra Public Policy Analyst <a href="mailto:katie.vlastra@worldatwork.org">katie.vlastra@worldatwork.org</a> Phone: 202/315-5512	Sean Grande Public Policy Project Union <a href="mailto:sean.grande@worldatwork.org">sean.grande@worldatwork.org</a> Phone: 202/315-5522
--	---	---

Total Rewards  
Federal Legislative /  
Regulatory Updates  
and Trends

---

---

---

---

---

---

---

---

**Contact Us**

**Global Headquarters**  
14040 N. Northsight Blvd.  
Scottsdale, AZ 85260 USA

**DC Office and Conference Center**  
1100 13th Street NW, Suite 800  
Washington, DC 20005

**Telephone**  
Scottsdale: 480/304-6720 or 877/951-9191  
Washington, DC: 202/315-5500

**E-mail**  
[customerrelations@worldatwork.org](mailto:customerrelations@worldatwork.org)

**Web Site**  
[www.worldatwork.org](http://www.worldatwork.org)

Intermountain Compensation & Benefit Association

---

---

---

---

---

---

---

---