

OTHER BENEFITS COMPONENTS OF THE, AHEM, “RELIEF” ACT

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So we know you’re probably tired of hearing about the fiscal cliff. We know this because we are sure many of you nominated “fiscal cliff” as one of the “words” that should be banished from the English language in 2013. However, there are some benefits provisions in the generally Orwellian-named American Taxpayer Relief Act. Fortunately, they were not the ones we were worried might be included, and in fact, some of them actually provide some tax relief.

- First, there’s the Roth conversion opportunity we covered previously.
- Educational assistance tax benefits, which previously had to be extended each year, are now “permanent” (as that term is generally used in tax law).
- The same is true for adoption assistance.
- The tax exclusion for transit benefits is now permanently on par with commuter parking (previously, the tax exclusion for transit benefits was lower than for commuter parking).
- The CLASS Act (the voluntary long-term care program that was part of health reform) was finally repealed. Those who follow benefits news may recall that HHS declined to implement it once the program was determined to be financially unsustainable.
- Any remaining funding for CO-OPs (which are essentially non-profit insurers that were supposed to compete with for-profit insurers under health reform) has been eliminated. Only about half of the funding for CO-OPs had been used, and that will remain outstanding, but the rest has been clawed back.

So thanks to the fiscal cliff, you can educate your workforce, help them build a family, encourage them to take mass transit, and let them convert their 401(k) savings to Roth! Helpful? Yes. But unlikely to save “fiscal cliff” from the English-language chopping block, particularly when combined with the substantial additional tax burdens imposed by the “Relief” Act.

MEET THE TEAM



Lisa A. Van Fleet

St. Louis

lisa.vanfleet@bclplaw.com

+1 314 259 2326