

# Electronic Alert

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## New Year Resolutions: 401(k) & Health Plan Considerations for End-of-Year

By Jeff Robertson & Iris Tilley

As we move towards the end of the calendar year, now is the time to consider the impact of the New Year on your 401(k) and Group Health Plans. We have included five important items to consider as we usher in 2022.

### Required Minimum Distributions Due December 31

With the delays of the pandemic and changes in the Required Minimum Distribution rules, it is easy to forget that 2021 RMDs are due by December 31<sup>st</sup>. The RMD requirement is further complicated by the change in minimum age last year – 70 ½ to 72 and next year’s change in life expectancy tables.

### Cyber Security Policies 401(k) Plans

The U.S. Department of Labor continues to provide evidence that a documented Cyber Security Policy is a critical step for Plan Fiduciaries. Every 401(k) Plan Committee should consider a simple and documented Cyber Security Policy related to the oversight of 401(k) Plan Vendors. An important component of the Cyber Security Policy is to understand the contractual limitations of responsibility in vendor agreements. All vendor agreements should be reviewed regarding the rights and responsibilities in the event of a Cyber Security attack or breach.

### HIPAA COVID-19 Vaccine Status

As vaccine requirements have become more and more common, an equally common question is whether an employee’s COVID-19 vaccine status is HIPAA-protected. HIPAA does not prohibit an employer or business from requesting information from an employee or individual as to their vaccine status. HIPAA may prohibit a health care provider from sending patient vaccine information without individual authorization. Please note that additional laws are important when evaluating employee vaccine status, and whether or not HIPAA applies, an employee’s medical records should be treated as confidential information.

### Local Taxes

Local payroll taxes are becoming a greater avenue of revenue for local authorities and a large compliance concern for employers. In the Portland metro area, an employer may be forced to consider the Washington Long-Term Care Tax and the Multnomah County Preschool Tax for its employees. When employees work from home, the analysis is even more complicated.

## COVID-19 Testing & Health Plan Expenses

Employers with group health plans, especially those with self-funded plans, will be faced with 2022 compliance concerns regarding COVID-19-related expenses. These will include COVID-19 testing reimbursement (including for the cost of at home tests), cost-sharing requirements, plan provisions encouraging vaccination, and many others. We recommend engaging knowledgeable partners to review your COVID-19-related health plan policies.

*For 401(k), health plan, or any other benefits questions, contact Jeff Robertson or Iris Tilley at 503-276-2140 or 503-276-2155, or at [jrobertson@barran.com](mailto:jrobertson@barran.com) or [itilley@barran.com](mailto:itilley@barran.com).*