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The Tax Cuts and Jobs Act, the tax reform legislation passed in December, made major changes to the tax law. The IRS encourages employees to do a "paycheck checkup" to ensure they have a sufficient amount of tax withheld from their pay. Making adjustments now can prevent you from having unexpected tax bills next year. Check out the IRS [Withholding Calculator](#).

ACA Affordability Percentages Will Increase for 2019

The IRS recently issued a [Revenue Procedure](#) to index the contribution percentages used to determine the affordability of an employer's plan under the Affordable Care Act (ACA).

These updated affordability percentages are effective for taxable years and plan years beginning Jan. 1, 2019. They represent a significant increase from the affordability contribution percentages for 2018.

Therefore, some employers may have additional flexibility with respect to their employee contributions for 2019 to meet the adjusted percentage.

Affordable Coverage Test

For plan years beginning in 2019, employer-sponsored coverage will be considered affordable if the employee's required contribution for self-only coverage does not exceed the following percentages:



2019 Affordability Percentages

- **9.86 percent** of the employee's household income for the year, for purposes of both the pay or play rules and premium tax credit eligibility

- **8.3 percent** of the employee's household income for the year, for purposes of an individual mandate exemption (adjusted under [separate guidance](#))

This adjustment means that employer-sponsored coverage for the 2019 plan year will be considered affordable under the employer shared responsibility rules if the employee's required contribution for self-only coverage does not exceed 9.86 percent of the employee's household income for the tax year.

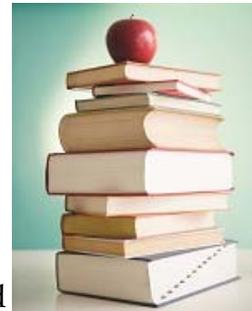
The 2018 affordability percentage for the pay or play rules and premium tax credit eligibility was 9.56 percent. The 2018 percentage for the individual mandate exemption was 8.05 percent.

For more guidance on this and other compliance topics, contact U.S. Employee Benefits Services Group today.

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IQ or EQ: What's More Valuable to Your Organization?

The smartest person is usually considered the best person for a position, especially when it comes to leadership. However, HR experts argue that traditional intelligence (book smarts) may not be as important as emotional intelligence (people smarts).



What is Emotional Intelligence?

Emotional intelligence (EQ, or emotional quotient) can be summed up by a few characteristics:

- The ability to evaluate one's own emotions and their greater impact
- Solid understanding of one's abilities and self-worth
- An innate desire to help toward the greater good

In other words, having a high EQ means you work well with others because you understand how your and your co-workers' emotions affect each other. The argument goes: if our behavior is dictated by our emotions, then understanding them is the key to long-term success.

Making Emotions Work for You

Leaders who understand emotions can channel that energy into producing desired results. For instance, managing employees is much easier when you can empathize and understand them on an emotional level. Nothing builds barriers faster than a perceived misunderstanding from a manager.

Considerations

Overall, EQ is a fluid area of study, like most aspects of the brain. There are still

many unknowns, so one cannot definitively say if emotional intelligence is the trump card for leaders. However, raising the EQ of managers even slightly can help with employee relations.

Consider offering EQ training to managers to help them relate better with their employees. You may be surprised how far a little emotional understanding can go.

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We will be at the 2018 ASBO Meeting & Expo!

USEBSG parent company, **U.S. Retirement & Benefits Partners**, is proud to be an Event Partner at this year's ASBO Meeting & Expo, September 21-24. Stop by Booth #731 to find out how we can help employers reduce health care costs by 5-15%!



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