

WEBINAR SERIES

Updates on COVID-19 Legislation, the FICA Deferral Repayment, and FSA Changes

September 1, 2021



PrestigePEO Webinar

Today's Presenters



Andy Lubash

Andy Lubash, Founder & CEO

As a founding partner and principal at PrestigePEO, Andrew is fundamental in promoting the PrestigePEO brand, negotiating employee benefit plan renewals, providing guidance on Workers' Compensation and EPLI renewals, and managing the PrestigePEO 401(k) plan.

Email: alubash@prestigepeo.com Cell: 516-680-5021



Kathleen Sullivan



Melissa Yannalfo

Melissa Yannalfo, Client Success Specialist - Host/Presenter

Melissa Yannalfo is the Client Success Specialist at PrestigePEO. Melissa has an extensive background in account management with a focus on Human Resources and has a dedicated focus on the client experience through a holistic approach to the PEO Service Model. Melissa has been with Prestige for 3 years.

Kathleen Sullivan, Associate Director of Benefits - Presenter

Kathleen Sullivan is the Associate Director of Employee Benefits at PrestigePEO. Kathleen has spent over 25 years in the employee benefits arena and has been with PrestigePEO for the past six years. She currently oversees a strong team of dedicated specialists who work to support, educate, and advocate for PrestigePEO clients and their employees.



Carol Sawyer

Carol Sawyer, Controller – Panelist/Presenter

Carol Sawyer, Controller at PrestigePEO, is our resident tax expert. She understands the implications of all tax-related legislation on employers (including the FFCRA, CARES Act, PPPFA, and CAA) and works to communicate them with each of our clients. She spends much of her time addressing concerns around tax credits and helping our clients maximize the benefits available to them through federal relief programs. Carol also oversees the accounting department here at PrestigePEO.

Today's Agenda

- Family's First Coronavirus Response Act (FFCRA)
- Pandemic Unemployment Assistance (PUA)
- COBRA Subsidy
- Deferred Employer FICA Taxes

Webinar Forum

All participants are muted.

Please type questions in the side navigation panel and we will try to address most questions during today's session.

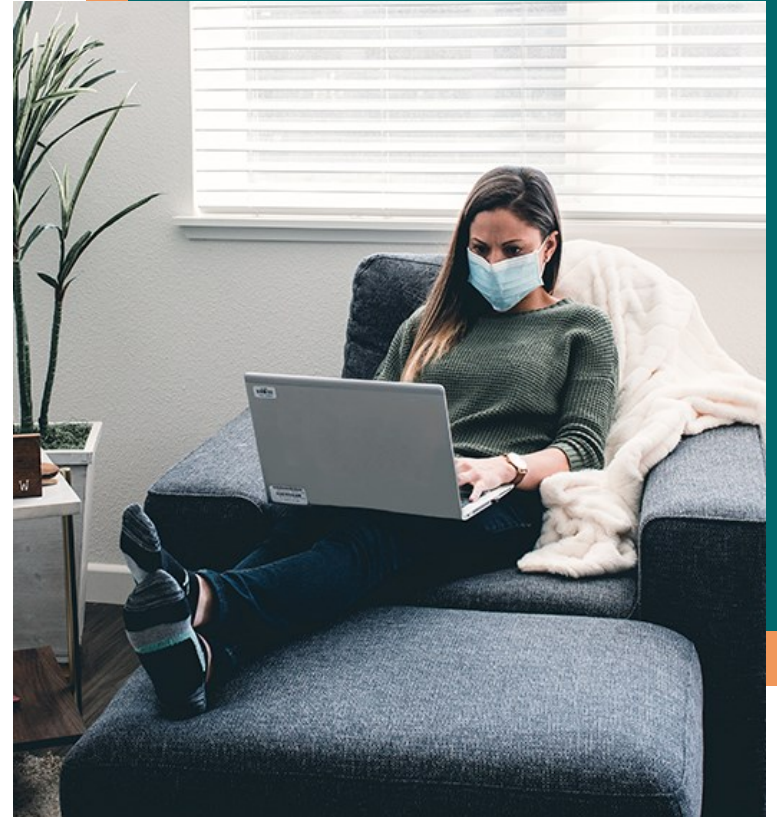
Today's presentation will be posted on our website under Resources/ThePrestigePerspective



Important Dates

Family's First Coronavirus Response Act (FFCRA)

- Sundown date – 9/30
- Federal leave benefit for absences directly related to Coronavirus
- Up to 80 hours a paid leave
- Immediate tax credit
- Includes vaccine & recovery



Pandemic Unemployment Assistance (PUA)



- Sundown date – 9/30
- Provided unemployment benefits to those who normally would not be eligible
 - Self-employed
 - Seeking PT employment
- Individuals must not have been eligible for regular UI
 - Unemployed
 - Partially unemployed
 - Unable to work due to COVID-19
- Benefit would have been a total of 39 weeks

COBRA Subsidy

- Sundown date – 9/30
- 100% COBRA Premium for up to 6 months
- Direct reimbursement to employer
 - Under ARPA the subsidized COBRA premiums will be reimbursed by the federal government through a refundable tax credit.
 - The IRS guidance takes the position that a PEO can be treated as the premium payee for PEO sponsored plans if the following three requirements are met.
 - ✓ The PEO maintains the group health plan
 - ✓ The PEO is considered the sponsor of the group health plan and is subject to the applicable Department of Labor COBRA guidance including providing the COBRA election notices to assistance eligible individuals
 - ✓ The PEO would normally have received the COBRA premium payments directly from the eligible insureds were it not for the COBRA premium assistance.
 - In situations where PrestigePEO client employer partners, sponsor their own plan for the benefits of their own employees, the client employer is considered the premium payee and can receive the premium assistance tax credit regardless of the fact that it uses the PEO to report and pay its federal employment taxes.
 - PrestigePEO will file the 941 with the credit allocated to the client's FEIN on Schedule R.



Deferred Employer FICA Taxes

Deferred Employer FICA Taxes

- Employer portion of FICA taxes were deferred in 2020
- Deferred taxes must be repaid:
 - 50% by 12/31/2021
 - 50% by 12/31/2022
- Employers that used a third-party payer (certified PEO) are solely liable for payment of the deferred taxes.
- IRS issued a notice on July 12, 2021, instructing employers to repay the deferred taxes through the third-party payer



Deferred Employer FICA Taxes

- PrestigePEO will be sending employers that deferred taxes this notice to show the balance due and the due dates.
- Payments can be made at any time before the due date. Payroll specialists will add the charge to the invoice.
- **Payments must be processed by December 15th** each year to be submitted by the December 31st deadline.



A woman with glasses and braids is smiling while talking on a mobile phone. She is sitting at a desk with a laptop and some papers. The background is a blurred office setting. The image is overlaid with a teal and orange geometric design.

Flexible Spending Accounts (FSA)

Prestige PEO introduces a new FSA partner

Optum Financial Health Care and Dependent Care Flexible Spending

- Effective: January 1, 2022

FSA Health Care Flexible Spending:

- Employees have the opportunity to set aside their own money on a pre-tax basis to pay for qualified medical expenses throughout the year.
- Annual maximum contribution \$2,750 with \$550 rollover
 - Note - amount subject to change for 2022.

FSA Dependent Care Flexible Spending:

- Employees have an opportunity to set aside their own money to pay for the cost of care for dependent children or elder care for aging parents
- Annual Maximum Contribution \$5000
 - Note - amount subject to change for 2022.



For more information, visit www.prestigepeo.com/openenrollment



Why is PrestigePEO making the change to Optum Financial FSA

The short answer is to provide a better benefit that's easier to use with the most up to date technology.

Below are the best features of the plan:

- Payment card for health care expenses
- Online access to account information and claims
- Direct deposit for claim reimbursement
- Mobile app convenience
- Text message alerts

For more information, visit www.prestigepeo.com/openenrollment

What does the change mean for your employees?

- Employees will be able to make their elections through the Prestige Pro Benefit Portal.
- UPDATE- Optum Financial FSA elections will now be made starting in November 2021 and continuing through December.
- The change to Optum Financial FSA will be effective 1/1/2022.
- Money that is eligible to rollover for employees will be transferred to Optum Financial for use in 2022.
- Most importantly employees will notice an easier path to submitting claims and being reimbursed that makes the FSA worth participating in



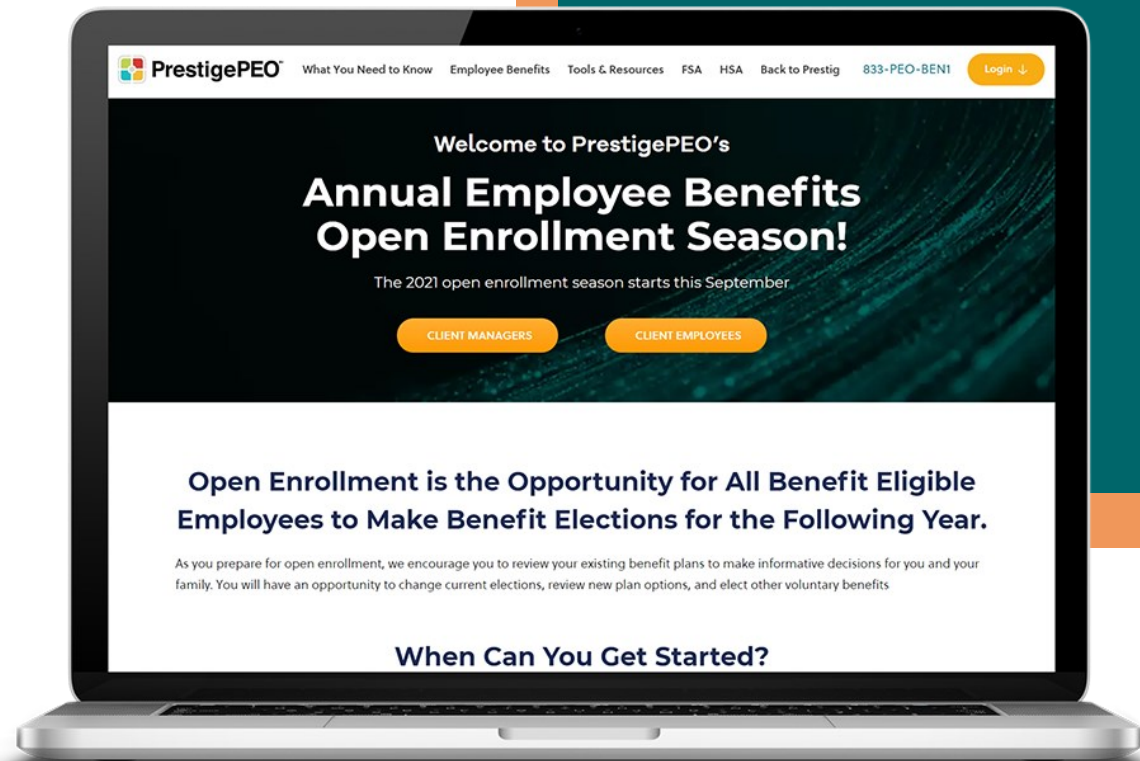
For more information, visit www.prestigepeo.com/openenrollment

2021 Open Enrollment

What can you expect this season

The open enrollment website Prestigepeo.com/openenrollment is now open featuring

- What you need to know
- Employee Benefits
- Tools & Resources
- FSA
- HSA
- Contact information



2021 Open Enrollment

What can you expect this season

All new customized videos for you *and* your employees located at Prestigepeo.com/openenrollment

Client Manager Overview



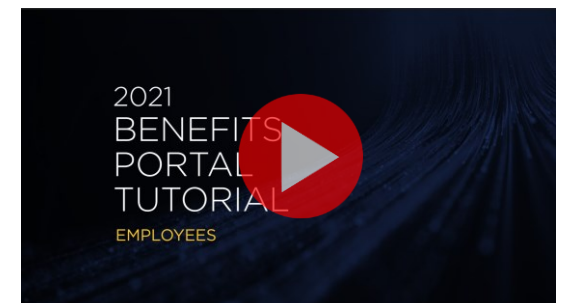
Client Manager Interactive Grid Tutorial



Client Employee Overview



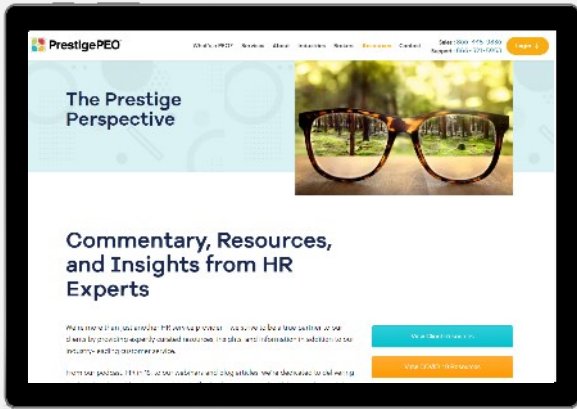
Client Employee Benefits Portal Tutorial



Cyber Security



PrestigePEO Communications



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PrestigeGO mobile app



We Are Here For You



Human Resources, Employee Benefits, and Payroll Simplified

You started your business because you had a great idea. We started our business to handle the rest.