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cpi LIGHTS

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Jon A. Cyganiak, CLU
President

There has been a lot of calamity in the world lately, both natural and manmade. While we can't do much about the natural disasters, we can certainly try to affect change on the manmade problems.

Shootings, terrorist attacks, political discord. All of these are signs of discontent. People have become so compartmentalized that they seem concerned only with themselves and a "what's in it for me" mentality feels commonplace. We have lost our sense of compassion and our ability to believe the best in our fellow man. Society has become polarized and cynical. It is all good and well to stand up for your beliefs and morals, but not to the exclusion of finding compromise for the greater good. There is always a middle ground to be found if you try hard enough.

I was reminded recently that life should be lived to the fullest. One of our CPI family passed away this last January. Dick Demski was my associate, my cousin and my friend. And he made the most of his time on this Earth. He reveled in his family, enjoyed a good game of baseball, and was kind to those he met. Kindness is something that is lacking in the world today. Kindness to people. Kindness to our environment. Kindness to those who are different. What a big difference a small amount of kindness can make.

Life is short. Make sure that you are doing your part to leave the world a better place for being in it.

Thanks for continuing to read CPILights!

As always, if you would like to submit an idea or comment in writing you can reach me at:
Jcyganiaksr@cyganiakplanning.com

Regards,

Jon A. Cyganiak

Jon A. Cyganiak, CLU
President

☼ Summer Hours ☼

Mother Nature has finally decided it is summertime for Wisconsin. And as is our custom Cyganiak Planning will implement modified hours. Beginning Monday, May 20th and running through Friday, September 6th our business hours will be:

Monday – Thursday 8:00am – 4:30pm
Friday 7:30am – 1:00pm

In addition, our offices will be closed on July 4th and 5th in observance of the Fourth of July holiday.

If you or your employees need to reach us outside these revised business hours you may leave a detailed message in our voicemail system. We will get back to you as soon as possible.

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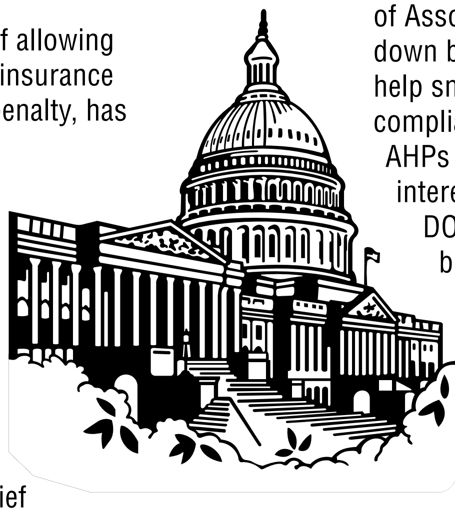
- managing editor: Laura Bagin

LEGISLATIVE UPDATES

FEDERAL

Transitional Relief Extended
Transitional Relief, or the policy of allowing certain non-grandfathered health insurance plans to remain in force with no penalty, has been extended for qualified plans through December 31, 2020. CMS (Centers for Medicare and Medicaid Services) will allow insurers to renew transitional policies as long as such plans come into compliance with certain specified market reforms by January 1, 2021. It is up to each state to accept the transitional relief extension, which Wisconsin has done.



Source: OCI Bulletin March 15, 2019: Insurance Standards Bulletin Series – INFORMATION – Extension of Limited Non-Enforcement Policy through 2020

AHP Ruling Struck Down
The Department of Labor's 2018 Rule to expand the scope of Association Health Plans (AHPs) has recently been struck down by a U.S. District Court. The DOL was attempting to help small businesses find alternative means to the ACA-compliant group health plans for their employees. Currently AHPs can only be formed by employers with a shared interest such as the same trade, industry or profession. The DOL Rule looked to expand that to make allowances for businesses in the same state or geographic location.

On March 28, 2019 Judge John D. Bate of the U.S. District Court agreed with the 11 states that filed suit saying the DOL rule "was intended and designed to end run the requirements of the ACA, [and] it does so only by ignoring the language and purpose of both ERISA and the ACA"

The main concern of the challenging states was that any business or individuals could form an AHP to avoid ACA regulations.

IRS ANNOUNCES PCORI FEE ADJUSTMENT

Steve Flewellen
Agent
CYGANIAK PLANNING INC

Employers that have chosen a partial self-funded plan, also known as level-funded in some cases, may have to send additional fees to the IRS by July 31, 2019.

IRS Notice 2018-85 provided the updated dollar amount to be used to calculate the PCORI fee for health plan policy and plan years that end on or after October 1, 2018 and before October 1, 2019. This includes 2018 calendar year plans. The fee amount is $2.45 per covered life.

The Patient-Centered Outcomes Research Institute (PCORI) was a creation of the Affordable Care Act (ACA) and the fee was first assessed for health plan years ending September 30, 2012 at $1 per covered life and has been indexed in years thereafter.

Health insurers for insured health plans and plan sponsors of self-insured health plans are subject to these fees until the sunset of the provision. The last year for assessment is the 2018 calendar year and will not be assessed for plan year after September 30, 2019.

To properly calculate the PCORI fee for self-funded health plans **(including Health Reimbursement Arrangements (HRA) and Health Flexible Spending Accounts (FSA) that do not meet the excepted benefit criteria)** the employer will need to review IRS Form 720 and IRS Form 720 Instructions each year. These typically are updated in the spring of the year to reflect the adjusted fee amounts. The amount of the fee paid will vary depending upon when the plan year ends and/or whether or not there has been a change in plan year during 2018.

Plan Years Ending Dates	**Fee Per Covered Life due by 7/31/19**
Plan years ending on or after October 1, 2018, through December 31, 2018 including calendar year plans.	$2.45
Plan years ending on or after January 1, 2019 through September 30, 2019	$2.45

The following link contains counting methods, the form and instructions.

https://www.irs.gov/newsroom/patient-centered-outcomes-research-institute-fee

There is a new address to send in the PCORI info for 2019. Department of the Treasury Internal Revenue Service, Ogden, UT 84201-0009

SHORT-TERM LIMITED DURATION MEDICAL (STLD)
AN INDIVIDUAL HEALTH INSURANCE ALTERNATIVE?

Eric Pierson
Sales/Service Associate
CYGANIAK PLANNING INC

People are aware that there are Affordable Care Act qualified individual medical insurance plans through the insurance exchange or direct (with certain insurers). However, STLD medical may be a viable alternative, depending on the situation.

Short-term limited duration health insurance, sometimes referred to as a “gap” policy, was originally designed for individuals who experience a temporary loss of traditional health insurance coverage. These short-term policies are considered to be “major medical” coverage that only provide benefits for a limited time. Until recently, these policies could only cover you for up to 3 months. That has been extended to almost a year (under 12 months). UHC, for example, will write them for up to 360 days. If your need for coverage continues you must apply for a new policy with a new carrier as these plans cannot be written back to back with the same company. You are also subject to medical underwriting and the same limitations with the new plan.

Congress repealed the Affordable Care Act’s individual mandate penalty starting in 2019. This was the requirement that individuals have Minimum Essential Health Coverage or face a tax penalty. This, combined with the extension of STLD policy duration, presents an opportunity for some to use these policies as a replacement to the more expensive ACA qualified individual polices. STLD plans could be appropriate for someone that cannot afford an individual policy or only want limited, inexpensive coverage for a short period of time.

These medically underwritten plans offer lower premiums because there is less insurance protection. These limitations may include little or no coverage for maternity, mental health and prescription drugs. They also usually have caps on coverage limits and higher deductibles.

If you are thinking of applying for one of these policies, make sure you discuss the limitations and exclusions with your agent. They offer an inexpensive alternative; but applicants need to be aware of the risk.

**Sources – Kaiser Family Foundation “Understanding Limited Duration Health Insurance”, Healthcare.gov, UHC*

IN THE SPOTLIGHT
A WHO’S WHO IN SUCCESSFUL BUSINESS

Cyganiak Planning, Inc. would like to recognize the physical growth, as well as the accomplishments of our clients. If you are expanding your human resources or your facility, please let us know. If you are participating in some community outreach or volunteer effort, or have recently been recognized with an award please contact your agent (262-783-6161) and we will share your achievements with our readers.

ChemScan, Inc., (formerly known as Applied Spectrometry Associates, Inc.), a local manufacturer of automatic chemical analysis systems for water and wastewater monitoring and control was recently acquired by In-Situ, Inc of Fort Collins, CO, providing over 65 years of combined experience and new processes to the Waukesha area. “In-Situ’s strong technical and management capabilities will help ChemScan products realize their full potential in the international marketplace,” according to Bernie Beemster, ASA’s president. “And our strength in municipal water and wastewater will be a benefit to the In-Situ family of products.” ChemScan will continue to operate in Wisconsin as an In-Situ company. For more information, visit www.in-situ.com and www.chemscan.com.

Congratulations to our clients who are 2019 BizTimes I.Q. (Innovation Quotient) Award winners. Nominees are companies who develop innovative products or services, or those with notably unique and innovative processes, operational structures and/or market strategies.

MARS IT Corp.
Riverwater Partners

Former Wisconsin Governor **Martin Schreiber** was honored by The Milwaukee Press Club by being named with a Headliner Award at the 2019 MPC Awards for Excellence in Wisconsin Journalism. The Headliner Awards go to those who are making a positive difference in Wisconsin. Governor Schreiber was recognized for his award-winning advocacy for Alzheimer’s caregivers and persons with dementia not only in our state but nationwide.

PERMANENT LIFE INSURANCE:
THE PROBLEM SOLVER

Jon I. Cyganiak
Agent/Vice President
CYGANIAK PLANNING INC

Life Insurance is an essentials tool in protecting the financial wellbeing of families and businesses. In case you aren't certain how it can be utilized, here are some common ways permanent, or whole, life insurance can easily provide financial security in times of uncertainty.

1. Provide for Loved Ones: It's the basic need everyone thinks about. You have a young family. You are the major breadwinner. Something happens to you. How is your family supposed to make ends meet? It's a form of protection. Peace of mind.

2. Key Man Insurance: You and your partner own a business. It's grown. Many employees depend on you. If something happens to your partner, it's likely their spouse or family will inherit their share of the business. Cash would be a lot more useful to them. Life insurance on both partners can provide the cash to buy out heirs and keep the business intact.

3. Emergency Loans: Hopefully you live a long life. Permanent life insurance accumulates cash value, eventually growing to the full face value, or beyond. Many policies allow you to borrow money against the cash value. You would pay interest.

4. Funding Estate Taxes: You own a business. It's your major asset. It's illiquid unless you sell. Your goal is to keep the business intact, passing it to the next generation. A life insurance policy, while considered part of your estate, can produce cash needed to pay estate taxes instead of selling.

5. Cash Value: If times get tough, you need cash and you've run out of options, a permanent life policy that has built cash value is an asset. You can turn it in and receive cash, if necessary.

6. Value as Collateral: You need to put up collateral for a loan. The lender wants financial instruments. In many cases, you can put up the policy and its cash value as collateral. You continue making payments on the policy. The lender collects the death benefit if you die. The client is motivated to pay back the loan quickly.

7. Charitable Giving: You want to do something special for your religious institution or school. You might name them as a beneficiary on your life insurance policy. You might give them the policy as a donation now, taking any tax deduction in accordance with the law.

8. Meeting Obligations: You are up there in years. You have grandchildren and great grandchildren. You have promised you will take care of their college education expenses, but that's a long way off. Consider naming an adult custodian and under the rules of the Uniform Transfers to Minors Act. When you pass away, the life insurance proceeds are held for the child's benefit.

9. Special Needs Child: You can care for them during your lifetime, but what happens when you pass away? This will take money. You will likely be setting up a Special Needs Trust to hold those funds. Consider naming the trust as your life insurance beneficiary.

Source: ThinkAdvisor

SMILE… JUNE IS NATIONAL SMILE MONTH

Oral health is important for all ages. And it is never too early to start taking care of your mouth. Good oral hygiene needs to start right away. Here are some key points to keep in mind to help you and your children maintain a brilliant smile.

Babies and Toddlers: Baby teeth need daily care even before they make an appearance. Wipe baby's gums with a soft clean cloth after each feeding to get rid of bacteria. When the first tooth appears brush with fluoride toothpaste and toothbrush for babies and young children. The first dentist appointment should be no later than age 1.

Children and Adolescents: This is the time to reinforce good habits and guard against common mouth issues. Supervise brushing and flossing until your child is old enough to do a thorough job. Also talk to your dentist about preventive measures like sealants and mouth guards.

Adults: Like when you were small it is important to maintain a proper oral health routine that includes brushing and flossing daily, eating mouth-friendly foods and scheduling regular dental visits. Avoid things like tobacco and alcohol that put you at higher risk for oral cancer. Symptoms include sores, red or white patches, persistent pain or numbness, lumps or rough spots, and issues chewing and swallowing. If any of these occur for longer than two weeks talk to your dentist.

Practicing good oral hygiene and oral health habits from early on is key to maintaining a healthy mouth and keeping your fabulous smile.

Source: Delta Dental WI Blog 6/6/2018

HR Q & A

Aaron Bielawski
Agent
CYGANIAK PLANNING INC

The Cyganiak Planning Q & A Corner takes questions that our agents and sales/service associates were asked and provides detailed guidance from our HR advocacy firm to help you understand and resolve similar scenarios at your workplace, should they ever arise.

Question: Is it an ACA requirement to re-enroll employees in the group health benefits upon rehire when the employee was separated from employment for no more than 13 weeks?

Answer: We assume the employer in question is an ALE (company over 50 FTE); if so, the short answer is yes.

Below is the guidance on how the ACA regulations treat these kinds of breaks in service. An employer can be more generous than the law requires as long as its approach is documented in the plan documents and policies and administered consistently. The information below is the minimum standard for ALEs. The "break in service" rules are different depending on whether the monthly measurement method, or the look-back measurement method, applies to the employee.

ACA Requirements Regarding Service Breaks:

- Employees under Monthly Measurement Method: If the former employee is rehired within 13 consecutive weeks, the employee must be treated as a continuing employee (not a new hire). This means s/he cannot be subjected to a new waiting period. Coverage (if previously enrolled) must resume by the first of the month on or following the rehire date.
- Employees under Look-Back Measurement Method: If former employee is rehired within 13 consecutive weeks, the employee's previous status as a full-time employee, or a non-full-time employee, must be reinstated for the remainder of the current stability period. For instance, if the employee's prior hours of service had determined that s/he was a full-time employee with respect to a stability period, and s/he left then returned within 13 weeks, that full-time status is reinstated for the remainder of that stability period. (If enrolled, coverage must resume by the first of the month on or after the rehire date.) Going forward, the employment gap will affect the employee's number of hours of service during the current measurement period which in turn will affect whether s/he is determined to have full-time status for the next following stability period.

In summary, the Employer Mandate's break in service rules generally allow employers to treat former employees as new hires (instead of continuing employees) if the employment gap was longer than 13 weeks. The rules also allow another option. For breaks of service lasting between four and 13 weeks, the employer may choose to apply the "rule of parity" to treat the worker as a new hire if the employment gap was longer than the prior employment period had been. For instance, using the rule of parity, if the employee had been employed for 6 weeks, terminated employment, and then was hired again more than 6 weeks later, s/he could be treated as a new hire. In that case, the prior employment would be disregarded for purposes of the employer mandate rules.

Disclaimer: Guidance provided above is opinion gathered from Cyganiak Planning Inc.'s Human Resources Advocacy Firm based on their research of specified topics and cannot be considered as legal opinion or legal fact. Please consult with your legal counsel for any specific and final guidance in any situation pertaining to your own company.

PROTECTING YOUR RETIREMENT INCOME
5 WAYS TO HELP STRETCH YOUR SAVINGS

We work hard all our lives saving for that time when we can retire and enjoy our Golden Years. The last thing you want to do is worry whether you will have enough money to actually do what you planned. Hopefully your retirement will last a good long time.

Here are a few items to keep in mind that can have an impact on your retirement income.

1. Plan for health care costs. These days medical inflation rises faster than general inflation. Planning for healthcare expenses is a must. According to Fidelity's annual retiree health care cost estimate a 65-year-old couple will need an estimated $285,000 to cover healthcare costs during retirement. And we can't forget long-term care costs which can be upwards of $80,000/year for a nursing home and $48,000 for assisted living facilities or home health care.

2. Expect to live longer. What used to kill us is now curable, or we are able to live with illnesses controlled by medications. People have become much more health conscious by eating healthier, being more active and generally taking better care of themselves. As a result, it is not uncommon for people to live well into their 80's and 90's. And if you have only planned for 25-30 years of income you may find yourself running short.

3. Be prepared for inflation. No one can escape inflation. And no one can predict it. Inflation reduces the future purchasing power of your income by increasing the cost of future goods and services. Make sure you take the future purchasing power of your income into account when planning.

4. Position investments for growth. It may be tempting to put money into aggressive investments as you draw near to retirement, especially if you don't have as much income as you hoped. This could be unduly risky especially in a down or volatile market. The better approach is to have a balanced portfolio of growth and risk investments. The younger you are the more risk you can assume, but as you get closer to needing the income you can re-evaluate your risk tolerance.

5. Don't withdraw too much from savings. Make your budget reflects the amount of money you have or expect to keep earning as you move through your golden years. Fidelity Investments did the math and determined that to make savings last a projected 20-30 years no more than 4%-5% should be withdrawn from savings during the first year of retirement, then adjust for inflation in the following years.

Source: Fidelity Viewpoints 04/10/2019; https://www.fidelity.com/viewpoints/retirement/protect-your-retirement-income

MAKING SMART MEDICARE CHOICES:
WHAT TO CONSIDER WHEN YOU'RE READY FOR MEDICARE

Turning 65 brings many decisions. One of the most important is what to do with your health insurance. Medicare is the government supplied insurance for most people over 65. There are four parts to Medicare – Parts A, B, C, and D. Part A provides coverage for hospitalization and Part B for most other medical expenses. Part D was created in 2003 for prescription drug coverage, and Part C, or Medicare Advantage, is a benefit that pays in lieu of Medicare.

Here are some things to consider as you get close to making your Medicare choices.

When do I start making Medicare decisions?

Three months before your 65th birthday. That is when you are eligible to sign up for Medicare Parts A and B (Original Medicare). If you enroll at least 2 months before your birth month your coverage should begin the first of the month that you turn 65. Most supplemental or alternative coverage requires enrollment in Original Medicare. If you enroll in Part B later than 3 months after you turn 65 you may be subject to significant postponement of your coverage and a permanent increase in your monthly premiums.

Do I need a Medicare Supplement policy right away?

Unless you will have employer-sponsored group health insurance it is a good idea to enroll in a Medicare Supplement in addition to Original Medicare. There are deductibles and cost share to be paid with Original Medicare. A Medicare Supplement will help cover these extra costs. If you enroll in a Supplement during the initial Open Enrollment Period (3 months before, the month of, and 3 months after your 65th birthday) coverage is guaranteed issue with no pre-existing limitations. Enroll outside of this timeframe and you may have coverage postponed, or even denied.

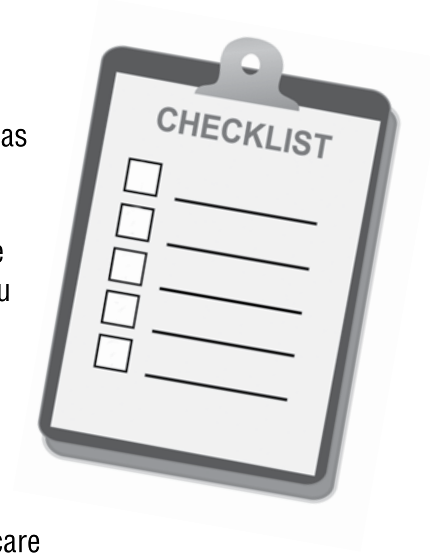
Do I need a Prescription Drug Plan (Medicare Part D) when I turn 65?

Yes. It is a good idea, unless you will have other insurance that will provide drug coverage that is as good as or better than a Part D plan. And if you do not enroll by the end of the month you turn 65 you could be subject to permanently increased premiums. You do have the option to change Part D plans annually during the Open Enrollment period.

www.cyganiakplanning.com

What is a Medicare Advantage Plan?

Medicare Advantage plans, or Medicare Part C, is obtained from a private insurance carrier. While you still need to pay the Medicare B premium, Medicare will not pay any of your medical expenses. For little or no premium many MAPDs provide comprehensive coverage including some services that may not be covered by Medicare such as dental, hearing and vision. You have cost share with your medical visits and like a traditional health plan you pay your share as you go. No medical bills…no cost.



What is better for me…Supplement or Advantage Plan?

While the traditional Medicare Supplement has a higher premium, it allows you flexibility to see any provider who accepts Medicare. It provides a constant monthly premium that you can budget for and you don't have to worry if you have an expensive medical event. However, you do have to purchase a separate Part D plan for your prescriptions costs.

In Wisconsin the Medicare Advantage plan has little to no monthly premium, often includes items not covered by Medicare, but usually requires higher out of pocket costs when you seek medical care. They also often include a prescription benefit so a separate policy is usually not needed. MAPDs usually limits doctor choice to a local provider network. Coverage out of network may not always be available.

What should my game plan be?

1. Apply for Medicare Part A and B three months before your 65th birthday.
2. Analyze your current medical/prescription costs.
3. Analyze your risk tolerance for future medical/prescription costs. Are you comfortable paying unexpected large bills out of pocket? Or do you want to pay now for future protection?
4. Shop for a Medicare Supplement and Part D plan, or Medicare Advantage plan that suits your medical and financial needs.
5. Review your options annually as your situation may change.

REMEMBERING A CLASS ACT

Our hearts are heavy at Cyganiak Planning with the recent passing of one of our own. Dick Demski was our gentle giant, a huge teddy bear and someone dear to our hearts.

He passed away this past January at 89 years young leaving his beloved wife of 67 years, 4 sons, and several grandchildren and great-grandchildren. Dick was a dedicated family man, a consummate salesman and an avid baseball player. He always had a quick smile and a twinkle in his eye.

Dick started in the life insurance business in 1956 as a salesman. Eventually he progressed to be a trainer and subsequently hired his cousin Jon Cyganiak at Metropolitan in 1964. When Jon left Metropolitan for Connecticut Mutual Dick remained, but followed Jon there later in 1979. In 1981 Dick joined Jon at Cyganiak Planning and continued in sales until he retired in June 2004.

Anyone who knew Dick knew he loved baseball. He was ballplayer from young on and continued in the sport most of his adult life. But what many may not have known was how good he was. He was signed to contracts by the New York Yankees and Philadelphia Phillies to play in their minor league teams and was most proud of the fact that he played on the same minor league team as Ted Williams. One of his senior softball teams went to the Senior Olympics Nationals in Baton Rouge, LA where the team won the championship for their age group. He was inducted into Wisconsin Old Time Ballplayers Association Hall of Fame in 2006.

Dick Demski

Rest easy Dick and keep hitting them out of the ballpark. We will surely miss you.

BEHIND THE SCENES

Kim Hentzen

Cyganiak Planning's agents, sales associates and staff bid a fond farewell to **Kim Hentzen** who will retire the end of June 2019. Kim has been a mainstay in our ABC Department for the past 33 years. She started her career in our Mequon office as a billing associate back in 1982 and transitioned to our Brookfield office in the mid 1990's. Kim has been largely in charge of the billing and account adjudication for our WIBT Trust products. Prior to coming to CPI Kim was a Computer Operations supervisor and a senior computer operator. In her spare time, she bred and showed Old English Sheepdogs and West Highland Terriers. Kim eventually transitioned from breeding dogs to breeding and raising alpacas. We wish Kim all the best in her retirement!

Danah Kurtz

We are pleased to welcome **Danah Kurtz** who has joined our ABC Department as a Billing Associate. Danah is a graduate of the University of Jordan with a BS in Computer Sciences. Previous to being with CPI Danah spend 4 years at Gehl Flooring Supply. She enjoys cooking, painting and dancing, especially the Argentine Tango.

WEB SITES

Here are some apps you can add to any Apple or Android device to find out more regarding your health insurance and health related matters.

https://www.irs.gov/newsroom/patient-centered-outcomes-research-institute-fee – IRS link to explaining how to calculate and pay your 2019 PCORI fees

https://www.pcori.org – More information on the Patient-Centered Outcomes Research Institute (PCORI) that was created under PPACA.