Social Security Changes On Tap for 2019

Based on the increase in the Consumer Price Index from the third quarter 2017 through the third quarter 2018, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 2.8 percent adjustment in 2019. Also, the maximum amount of earnings subject to the Social Security tax will increase by $4,500 from $128,400 to $132,900. The tax rate remains at 7.65 percent.

However, individuals with earned income of more than $200,000 ($250,000 for married couples filing jointly) will continue to pay an additional 0.9 percent in Medicare taxes. Those who turn 62 in 2019 will need to wait longer than existing Social Security beneficiaries in order to claim the full retirement benefit.

Social Security beneficiaries who continue to work will be able to earn $600 more in 2019 before part of their Social Security benefit is temporarily withheld. Recipients age 65 and younger can earn up to $17,640 in 2019 before $1 in benefits is withheld for every $2 earned above the limit. In the year they turn their full retirement age, the earnings limit climbs to $46,920, up $1,560 from 2018, and the penalty declines to $1 withheld for every $3 in excess earnings. Once workers reach their full retirement age, there is no penalty for working and collecting Social Security benefits at the same time, and the benefit is recalculated to give them credit for continued earnings and any benefits that were withheld in the past.

Social Security Fact Sheet
OSHA Launches Inspection Program Targeting Employers With High Injury and Illness Rates

The Occupational Safety and Health Administration (OSHA) is initiating a Site-Specific Targeting 2016 (SST-16) Program using calendar year 2016 injury and illness information electronically submitted by employers. The program targets high injury rate establishments in both the manufacturing and non-manufacturing sectors for inspection. Under the program, OSHA will inspect employers it believes should have provided injury and illness data on Form 300A for 2016 but did not.

For 2016, OSHA required employers to electronically submit Form 300A data by December 15, 2017. The 2017 data reporting deadline was July 1, 2018. However, employers may still provide this information to the database. Hereafter, establishments with 250 or more employees that are currently required to keep OSHA injury and illness records, and establishments with 20-249 employees that are classified in specific industries with historically high rates of occupational injuries and illnesses, will be required to provide their information by March 2nd each year.

OSHA's On-site Consultation Program offers employers with up to 250 workers free, confidential, safety and health advice on complying with OSHA standards and establishing and improving safety and health programs.

Most Employers Modernizing Their Total Rewards Programs

According to The 2018 Modernizing Total Rewards Survey conducted by Willis Towers Watson, as the labor market tightens, employers are taking steps to adjust their total rewards programs. According to the survey, only 49 percent of employers understand which offerings are most valued by employees, while 47 percent know which aspects are valued by job seekers. While 66 percent of respondents have made at least one change to their total rewards program, of those who have not, two thirds are considering doing so within the
year and the other one third are considering changes over the next three years. Of the 1,670 survey respondents, 54 percent are experiencing difficulty hiring employees with critical skills while 49 percent report problems attracting "high-potential" employees. The report can be downloaded.

2019 IRS Retirement Plan Benefit and Contribution Limit Adjustments Announced

The Internal Revenue Service (IRS) has announced the cost-of-living adjustments affecting tax-qualified retirement plans for 2019. Most of the general limitations will increase based on the cost-of-living index. The individual limits on catch-up contributions for participants age 50 and over will not change next year. Below are several key limits for 2018 and 2019:

<table>
<thead>
<tr>
<th>Subject</th>
<th>2018 Limit</th>
<th>2019 Limit</th>
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<tbody>
<tr>
<td>Internal Revenue Code 401(a)(17) and 404(l) Annual Compensation</td>
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<tr>
<td>Elective Deferral Limit</td>
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<td>Catch-Up Contribution Limit</td>
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<td>Defined Contribution Plan Limit</td>
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<tr>
<td>Highly Compensated Employee Threshold</td>
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<td>$125,000</td>
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</tbody>
</table>

Internal Revenue Code 2019 Limitations

Federal Government Issues Final Rules On Conscience
Rights and Health Insurance Coverage

The Departments of Health and Human Services, Treasury, and Labor have released two final rules to provide conscience protections for those with religious or moral objection to health insurance that covers contraception methods. Under the Affordable Care Act, employer-provided health insurance plans are required to cover certain "preventative services", including all contraception methods approved by the Food and Drug Administration.

In October 2017, two interim final rules, providing an exemption for those who had sincerely held religious or moral objections to such coverage, were published in the Federal Register. The first of the now final rules provides an exemption from the contraceptive coverage mandate to entities that object to services covered by the mandate on the basis of sincerely held religious beliefs. The second final rule provides protections to nonprofit organizations and small businesses that have non-religious moral convictions opposing services covered by the mandate.

The religious and moral exemptions provided by the rules also apply to institutions of education, issuers, and individuals. The final rules take effect January 14, 2019. Review [fact sheet](#) for additional information.

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