

**NORTH RISK PARTNERS®**

**NAVIGATING OPEN ENROLLMENT: A STEP-BY-STEP GUIDE FOR EMPLOYERS**

OCTOBER 2025

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**PRESENTER**

**Regan Debban**  
Director of Compliance Consulting  
Lumelight

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**LOGISTICS**

- ? Ask questions via the Questions box
- 📄 Two-question survey at the end
- 🎥 Webinar is recorded

Follow-up email sent tomorrow with link to slides & recording!

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## AGENDA

- Open Enrollment
  - Plan Design & Documentation
  - Eligibility Tracking
  - Contributions & Affordability
  - Enrollment Materials & Notices
  - Compliance Assessment
- Legislative & Regulatory Update



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## OPEN ENROLLMENT



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## PROACTIVE PLANNING MATTERS



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**PLAN DESIGN & DOCUMENTATION**

- 1 Review core plan documents
  - Update wrap plan/SPD, cafeteria plan document, and SBC to reflect current benefit offerings and service providers
- 2 Verify eligibility rules
  - Ensure consistency across all documentation for employees and dependents, including during leaves of absence



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**PLAN DESIGN & DOCUMENTATION**

- 3 Evaluate benefit changes
  - Review expansions or exclusions for compliance with ACA, MHPAEA, and nondiscrimination requirements
  - For grandfathered plans, ensure changes do not cause a loss of grandfathered status
- 4 Update plan limits
  - Review and update account-based plan limits for FSAs, HSAs, HRAs, and DCAPs for the upcoming tax/plan year. Ensure any grace periods, carryovers, or spend-down provisions are correctly described in all documents.



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**ELIGIBILITY TRACKING**



System Set-Up

- Confirm eligibility rules, including measurement and stability periods, are properly programmed into payroll and benefit administration systems
- Verify waiting period rules and break in service (or rehire) provisions are set up correctly to ensure compliance

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## CONTRIBUTIONS & AFFORDABILITY

<b>Affordability</b>	<b>Payroll Setup</b>	<b>Benefit Levels</b>
<ul style="list-style-type: none"> <li>Ensure employee contributions for single medical coverage meet an ACA affordability safe harbor for applicable large employers</li> </ul>	<ul style="list-style-type: none"> <li>Audit payroll and benefit systems to ensure contributions are accurate and aligned with benefit elections</li> <li>Confirm pre-tax and after-tax deductions are correctly configured in payroll systems</li> </ul>	<ul style="list-style-type: none"> <li>Update benefit levels that are based on income (e.g., life and disability)</li> </ul>

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## ENROLLMENT MATERIALS & NOTICES

- Enrollment Materials**
  - Clarify enrollment dates and whether open enrollment is active or passive
  - Provide clear description of benefits and costs
  - Remember to provide materials to COBRA participants and retirees
  - Update attestations where applicable (e.g., HRA integration, opt-out arrangements, wellness program requirements)
- Annual Notices**
  - Distribute a notices packet (e.g., SBC, WCHRA, CHIP, creditable coverage)
  - Mail or provide electronically in accordance with DOL safe harbor

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## ELECTION CHANGES / MISTAKES

**Prior to plan year**

- Employer not obligated to allow changes outside open enrollment window
- Employer could allow changes prior to the plan year start if allowed uniformly for all participants

**After plan year begins**

- Mistakes: Correct back to the beginning of the plan year
- Qualifying Life Event/Status Change: Change should typically only be prospective

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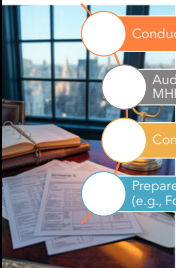
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## COMPLIANCE ASSESSMENT



- 1 Conduct discrimination testing and make any necessary corrections prior to year-end
- 2 Audit plan operations for compliance with ERISA, COBRA, HIPAA, ACA and MHPAEA
- 3 Confirm service providers are meeting contractual and compliance obligations
- 4 Prepare or update a compliance calendar to track notice and reporting deadlines (e.g., Form 5500, ACA reporting, gag clause attestation)

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## LEGISLATIVE & REGULATORY UPDATE

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## OBBBA - HSA CHANGES

**Telehealth**

- Permanent extension of safe harbor for HSA eligibility when participant has telehealth without an HDHP deductible
- Effective for plan years beginning on or after January 1, 2025

**Direct Primary Care**

- DPC meeting certain requirements can be offered without affecting HSA-eligibility
- DPC fees can be paid from HSA
- Effective January 1, 2026



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## OBBBA - OTHER CHANGES



**Dependent Care Assistance Program (DCAP)**  
Maximum annual exclusion increased to \$7,500 beginning in 2026 (not indexed for inflation)



**Student Loan Payments**  
Permanently allows employers to make tax free student loan reimbursement payments of \$5,250 per year beginning in 2026 (now indexed for inflation)



**Transportation Benefits**  
Permanently eliminates the tax exclusion for qualified bicycle commuting reimbursement (was already suspended)

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## DCAP LIMIT CHANGES IN 2026




**Annual (Calendar Year) Limits**

- \$7,500 for single individuals/married filing jointly
- \$3,750 for married individuals filing separately
- Limited to earned income of individual if lower

**Important Considerations**

- Effective Jan. 1, 2026 (calendar year, not plan year)
- Optional increase
- Increased limits could make it harder to pass benefit discrimination testing

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## KENNEDY V. BRAIDWOOD MGMT.



- SCOTUS upholds ACA preventive care mandate and process by which required preventive care is selected
- No changes required - non-grandfathered plans must continue to provide preventive care as normal and add new services as announced by appropriate advisory panels

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## ACA UPDATES

- Affordability Percentages

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
9.56%	9.66%	9.69%	9.56%	9.86%	9.78%	9.83%	9.61%	9.12%	8.39%	9.02%	<b>9.96%</b>

- 4980H Penalties - Failure to Offer Coverage

	2025	2026
§4980H(a)	\$241.67/mo.	\$278.33/mo.
§4980H(b)	\$362.50/mo.	\$417.50/mo.

- Ability to post notice of availability for Form 1095s

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## 2026 OUT-OF-POCKET LIMITS

- Changed how the ACA maximum out of pocket (MOOP) limit is calculated and then applied new formula to the 2026 plan year
  - Previously announced 2026 MOOP: \$10,150 single / \$20,300 family
  - New 2026 MOOP: \$10,600 single / \$21,200 family**

ACA MOOP must be embedded if family MOOP exceeds single MOOP  
 i.e., if 2026 family MOOP is above \$10,600, plan must start to pay if any individual within that family unit incurs \$10,600 in medical expenses

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## MEDICARE CREDITABLE COVERAGE

**Group health plans** must determine whether prescription drug coverage is "creditable" or "non-creditable"

- Report creditable status to CMS within 60 days of plan year start
- Distribute notice of creditable status to eligible individuals upon initial eligibility and annually

**"Creditable" coverage** has an actuarial value equal to or exceeding the standard Medicare Part D prescription drug coverage

**Two determination methods:** actuarial analysis or simplified determination method

- New simplified option beginning in 2026

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**CREDITABLE COVERAGE - SIMPLIFIED METHOD**

Plans can choose either method for 2026 plan years

**Original Simplified Method**


Plan will be creditable if:

- Provides coverage for brand and generic prescriptions
- Provides reasonable access to retail pharmacies
- Designed to pay on average at least 60% of prescription drug expenses, plus no annual maximum benefit or minimum benefits of at least \$25,000 OR expected to pay at least \$2,000 annually per Medicare-eligible individual

**Revised Simplified Method**

Plan will be creditable if:

- Provides coverage for brand and generic prescriptions and biological products
- Provides reasonable access to retail pharmacies
- Designed to pay on average at least 72% of prescription drug expenses



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**QUESTIONS?**



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**UPCOMING WEBINARS**

**Employer Essentials**

 **Watch your inbox for invitations**

**Thursday, October 23 | 11:00 a.m. to 12:00 p.m.**

**Legal Hiring Practices:** From Application to Background Screening

**Thursday, October 30 | 11:00 a.m. to 12:00 p.m.**

**MN Paid Leave:** What Employers Need to Know as Jan. 1 Approaches

**Thursday, Nov. 6 | 11:00 a.m. to 12:00 p.m.**

**The Federal Drug & Alcohol Program:** Ensuring a Safe Workplace

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