

May 2019

# HR BRIEF

Provided by Benefit Controls of South Carolina, Inc.

## Vote on Health Care Won't Come Until After 2020 Elections

President Donald Trump stated in a series of recent tweets that a vote on a Republican Party (GOP) replacement health care plan for the Affordable Care Act (ACA) won't take place until after the 2020 elections.

### GOP's Health Care Plan

President Trump's tweets stated that the ACA's deductibles and premiums are "far too high" and that a replacement is needed. He continued to state that the GOP's replacement plan for the ACA will have "far lower premiums (cost) [and] deductibles" and will be "much more usable." He also affirmed that the GOP's plan would support those with pre-existing conditions.

These tweets came one

week after the president directed the Department of Justice (DOJ) to support a federal court ruling that the ACA is unconstitutional.

### What does this mean for my organization?

While the recent developments may seem like major health care change is on the horizon, employers and employees can expect things to remain the same for the time being. You can expect that health care will be a hot topic on 2020 campaign platforms.

As such, all existing ACA provisions will continue to be applicable and enforced. Although the individual mandate penalty will be reduced to zero beginning in 2019, employers and individuals must continue to comply with all other applicable ACA requirements.

## DOL's Newly Proposed Overtime Rule: What's Included

The Department of Labor (DOL) recently issued a [proposed rule](#) that would change the salary thresholds for the "white collar" overtime exemptions under the Fair Labor Standards Act (FLSA). Under the proposal, the minimum salary level for executive, administrative and professional employees would increase from \$455 to **\$679 per week (\$35,308 per year)**. This is significantly lower than the \$913 salary level set in the 2016 final rule (which never took effect due to an injunction).

The proposal would allow employers to use nondiscretionary bonuses and incentive payments (including commissions)

that are paid annually or more frequently to satisfy up to 10 percent of the standard salary level. The minimum salary level for highly compensated employees would also increase from \$100,000 to **\$147,414 per year** (an increase from the 2016 final rule's annual threshold of \$134,004).

### What's next?

The proposed rule does not provide for any automatic adjustments to the salary thresholds. Instead, the DOL is asking for public comments on the proposed rule's language for periodic review to update the salary threshold. Any future update would continue to require notice-and-comment rulemaking.

For more information on the proposed rule, see the DOL's [Notice of Proposed Rulemaking: Overtime Update](#), which includes a [fact sheet](#) and [frequently asked questions](#).

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