

## **EBRI Databook on Employee Benefits**

### **Appendix E: Legislative History**

UPDATED OCTOBER 2015

This appendix provides a selected chronology of legislation dealing with employee benefits. It is divided into three sections. The first section discusses pension legislation, the second section discusses health insurance legislation, and the third section discusses welfare plan legislation.

#### **Pension Legislation**

##### **1921**

*Revenue Act of 1921 (Public Law 67-98)*

Exempted interest income of stock bonus or profit-sharing plans from current taxation. Starting in 1921, employees were not taxed when they made contributions to the pension trust, but only when they received distributions (to the extent the distribution exceeded the amount the employee contributed).

##### **1926**

*Revenue Act of 1926 (Public Law 69-20)*

Extended the exemption granted to stock bonus and profit-sharing plans to pension trusts.

##### **1928**

*Revenue Act of 1928 (Public Law 70-562)*

Allowed employers to take tax deductions for reasonable amounts paid into a qualified trust in excess of the amounts required to fund current liabilities.

##### **1935**

*Social Security Act of 1935 (Public Law 74-271)*

Enacted Social Security.

##### **1938**

*Revenue Act of 1938 (Public Law 75-554)*

Established the “non-diversion” rule and made pension trusts irrevocable. A pension trust is tax exempt only if it is impossible, at any time prior to the satisfaction of all employee liabilities, for any part of the contributions or income to be used for a purpose other than the exclusive benefit of their employees and beneficiaries.

**1940**

*Investment Advisers Act of 1940 (Public Law 76-768)*

Required delegation of investment responsibilities only to an advisor registered under the act or to a bank or an insurance company (qualified under the laws of two or more states).

**1942**

*Revenue Act of 1942 (Public Law 77-753)*

Tightened coverage standard qualification, limited allowable deductions, and allowed integration with Social Security.

**1947**

*Labor-Management Relations Act of 1947 (Taft-Hartley Act) (Public Law 80-101)*

Sec. 302 provided fundamental guidelines for the establishment and operation of pension plans administered jointly by an employer and a union.

**1950s-1960s**

*Social Security Amendments of 1950, 1952, 1954, 1958, and 1967 (Public Laws 81-734; 82-590; 83-761; 85-840; 90-248, respectively)*

Affected pension integration provisions.

**1950**

*Revenue Act of 1950 (Public Law 81-814)*

Restricted stock options.

**1958**

*Welfare and Pension Plans Disclosure Act of 1958*

Established disclosure requirements to limit fiduciary abuse.

**1961**

*Revenue Act of 1961*

Amended sec. 403(b) to extend tax deferral for annuity purchases to employees of public school systems.

**1962**

*Welfare and Pension Plans Disclosure Act Amendments of 1962 (Public Law 87-420)*

Revised the 1958 act; shifted responsibility for protection of plan assets from participants to federal government to prevent fraud and poor administration.

*Self-Employed Individual Retirement Act of 1962 (Public Law 87-792)*

Made available qualified pension plans for self-employed persons, unincorporated small businesses, farmers, professionals, and their employees. Also known as the Keogh Act.

## **1969**

### *Tax Reform Act of 1969 (Public Law 91-172)*

Revised Taft-Hartley fundamental guidelines for establishment and operation of pension plans administered jointly by an employer and a union. Provided that part of a lump-sum distribution received from a qualified employee trust within one taxable year (on account of death or other separation from service) was to be given ordinary income treatment instead of the capital gains treatment it previously received. Under this act, the bargain element on the exercise of statutory options is a tax preference item, unless the stock option is disposed of in the same year the option is exercised.

## **1974**

### *Employee Retirement Income Security Act of 1974 (ERISA) (Public Law 93-406)*

ERISA protects the benefits of participants in private pension plans through participation, vesting, funding, reporting, and disclosure rules and established the Pension Benefit Guaranty Corporation. Provided added pension incentives for the self-employed (through changes in Keoghs) and to persons not covered by pensions (through individual retirement accounts (IRAs)). Established legal status of employee stock ownership plans (ESOPs) as an employee benefit; codified stock bonus plan under Internal Revenue Code. Established requirements for plan implementation and operation.

## **1975**

### *Tax Reduction Act of 1975 (Public Law 94-12)*

Established the Tax Reduction Act stock ownership plan (TRASOP) as employee benefit. Provided additional one percent of investment tax credit for acquisitions, construction, and other capital expenditures made between February 1975 and January 1977 for employers creating TRASOPs.

## **1976**

### *Tax Reform Act of 1976 (Public Law 94-455)*

Extended availability of TRASOP credit to January 1981 and added another 0.5 percent credit for employer-employee matching contributions.

## **1978**

### *Revenue Act of 1978 (Public Law 95-600)*

Extended TRASOP tax credit provisions through 1983, and required all TRASOPs to be tax-qualified if employee contributions were made for plan years beginning after December 11, 1978. Established qualified deferred compensation plans (sec. 401(k)) under which employees are not taxed until money is withdrawn on the portion of income they elect to receive as deferred compensation rather than direct cash payments. Created simplified employee pensions (SEPs). Changed IRA rules. Established nondiscrimination rules for cafeteria plans.

## 1980

### *Miscellaneous Revenue Act of 1980 (Public Law 96-605)*

Permitted tax-qualified ESOPs to provide cash distribution to participants.

### *Multiemployer Pension Plan Amendments Act (Public Law 96-364)*

Strengthened funding requirements for private multiemployer pension plans. Authorized plan preservation measures for financially troubled multiemployer plans, created withdrawal liability for employers withdrawing from multiemployer plans, and revised plan termination insurance provisions for such plans.

## 1981

### *Economic Recovery Tax Act of 1981 (ERTA) (Public Law 97-34)*

Raised contribution limits on IRAs and Keogh plans and extended IRA eligibility to persons covered by employer pension plans. Also authorized qualified voluntary employee contributions. Permitted payroll-based tax credit instead of investment-based TRASOPs. Repealed qualified stock options. Established incentive stock options (ISOs) subject to taxation, modification, and reporting.

## 1982

### *Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) (Public Law 97-248)*

TEFRA changed Keogh plan contribution limitations, established a new category of plans known as top-heavy plans, and imposed more stringent sec. 415 funding and benefit limitations. Altered provisions allowing loans to plan participants. Changed rules governing integration with Social Security. Reduced estate tax exclusion for proceeds of qualified retirement plans, set age limits for plan distributions, and established various rules aimed at personal service corporations.

## 1983

### *Social Security Amendments of 1983 (Public Law 98-21)*

Prohibited new pullouts of state and local government employers. Included amounts in salary reduction plans as taxable compensation for payroll tax purposes. Increased payroll taxes for self-employed persons. Gradually increasing Social Security normal retirement age. Changed cost-of-living adjustments from being based solely on CPI to the lower of CPI or wage increases when the trust funds are relatively low.

### *Railroad Retirement Solvency Act (Public Law 98-76)*

Protected solvency of the railroad retirement system by imposing benefit restrictions on future retirees, conforming the system with Social Security, allowing borrowing by railroad unemployment account, and authorizing repayment of sums to the railroad retirement account.

## 1984

### *Deficit Reduction Act of 1984 (DEFRA) (Public Law 98-369)*

Made substantial changes to rules governing IRAs, SEPs, ESOPs, ISOs, top-heavy plans, and golden parachutes. Froze TEFRA's maximum annual pension benefit and

contribution limits through 1987. Modified TEFRA's top-heavy provisions and definition of key employees, and exempted government plans from top-heavy requirements. Made changes affecting 401(k) plans, including the nondiscrimination test. Substantially changed TEFRA's rules on distribution limits from qualified plans. Established additional tax incentives to encourage the formation of ESOPs.

*Retirement Equity Act of 1984 (REA) (Public Law 98-397)*

Changed the age requirements for purposes of enrollment and vesting in pension plans. Permitted certain breaks in service without loss of pension credits. Changed treatment of pension benefits for widowed and divorced spouses.

**1985**

*Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) (Public Law 99-272)*

(included in Single Employer Pension Plan Amendments Act of 1986)

Significantly restricted the definition of insured termination for purposes of Pension Benefit Guaranty Corporation (PBGC) coverage. Raised the employer's annual PBGC premium rate.

**1986**

*Tax Reform Act of 1986 (Public Law 99-514)*

Established faster minimum vesting schedules, changed rules for integration of private pension plans with Social Security, and mandated broader and more comparable minimum coverage of rank and file employees. Restricted 401(k) salary reduction contributions, tightened nondiscrimination rules, required inclusion of all after-tax contributions to defined contribution plans as annual additions under sec. 415 limits. Extended the limit on amount of compensation that may be taken into account under all qualified plans, imposed new excess benefit tax on distributions over a certain amount, and reduced maximum benefits payable to early retirees under defined benefit plans. Restricted the allowable tax-deductible contributions to IRAs for high-income individuals who participate in employer-sponsored pension plans. Imposed excise tax on lump-sum distributions received before age 59 1/2. Created SEP salary reduction option for firms with fewer than 26 employees. Subjected loans above a certain amount to current income tax.

*Omnibus Budget Reconciliation Act of 1986 (OBRA '86) (Public Law 99-509)*

Required that employers with pension plans provide pension accruals or allocations for employees working beyond age 64 and for newly-hired employees within five years of normal retirement age.

**1987**

*Omnibus Budget Reconciliation Act of 1987 (OBRA '87) (Public Law 100-203)*

Changed funding rules governing underfunded and overfunded pension plans and PBGC premium levels and structure. Increased per-participant premiums for single-employer defined benefit plans, and established variable rate surcharge for

underfunded plans. Established maximum funding limit of 150 percent of current liability, beyond which employer contributions are not deductible. Tightened minimum funding requirements for underfunded plans; required quarterly premium payment for single-employer plans. Amended Age Discrimination in Employment Act (ADEA) and the Employee Retirement Income Security Act (ERISA) to require full pension service credits for participants employed beyond normal retirement age.

## **1988**

*Technical and Miscellaneous Revenue Act of 1988 (TAMRA) (Public Law 100-647)*  
Increased excise tax on excess pension assets upon termination of qualified plans.

## **1989**

*Omnibus Budget Reconciliation Act of 1989 (OBRA '89) (Public Law 101-239)*  
Partially repealed the interest exclusion on ESOP loans. Imposed mandatory Labor Department civil penalties on violations by qualified plan fiduciaries and created a tax penalty for substantial overstatement of pension liabilities in determining deductibility. Required that various forms of deferred compensation be included in determination of average compensation and, in turn, the Social Security taxable wage base.

## **1990**

*Omnibus Budget Reconciliation Act of 1990 (OBRA '90) (Public Law 101-508)*  
Increased the excise tax on asset reversions from 15 percent to 20 percent in certain cases. Increased the excise tax to 50 percent if the employer does not maintain a qualified replacement plan or provide certain pro rata increases. Allowed the limited use of qualified transfers of excess pension assets to a 401(h) account to fund current retiree health benefits. Raised PBGC flat and variable premiums. Extended Social Security coverage to state and local government employees not participating in a state or local public employee retirement system.

*Older Workers Benefit Protection Act of 1990 (Public Law 101-433)*  
Amended the Age Discrimination in Employment Act (ADEA) to apply to employee benefits. Restored and codified the equal benefit for equal cost principle. Set a series of minimum standards for waivers of rights under ADEA in early retirement situations.

## **1991**

*The Comprehensive Deposit Insurance Reform and Taxpayer Protection Act of 1991 (Public Law 102-242)*  
To reform the banking industry. Included provisions to eliminate pass-through coverage for benefit responsive bank investment contracts (BICs) and to limit federal deposit insurance to \$100,000 per individual per institution.

## 1992

### *Unemployment Compensation Amendments of 1992 (Public Law 102-318)*

Imposed a 20 percent mandatory withholding tax on lump-sum distributions that are not rolled over into qualified retirement accounts; liberalized rollover rules; and required plan sponsors to transfer eligible distributions directly to an eligible plan if requested by the participant.

## 1993

### *Pension Benefit Guaranty Corporation (PBGC) Lease Settlements Act of 1993 (Public Law 103-7)*

Confirmed a settlement made by PBGC and Continental Airlines clarifying that PBGC would be protected in the event of a future Continental Airlines bankruptcy.

### *Omnibus Budget Reconciliation Act of 1993 (OBRA '93) (Public Law 103-66)*

Reduced the compensation limit for qualified plans (sec. 401(a)(17)) from \$235,840 to \$150,000. Increased the amount of Social Security benefits subject to taxation from 50 percent to 85 percent for single individuals with incomes above \$34,000 (\$44,000 for married individuals filing jointly).

### *Pension Annuitants Protection Act of 1993 (Public Law 103-401)*

Clarified that, in cases where a pension plan fiduciary purchases insurance annuities in violation of ERISA rules, a court may award appropriate relief, including the purchase of backup annuities, to remedy the breach.

### *Uniformed Services Employment and Reemployment Rights Act of 1993 (Public Law 103-353)*

Guaranteed a veteran's right to pension benefits that would have accrued during military service. Pension plans would not have to pay earnings or forfeitures on make-up contributions. Repayment of employee contributions could be made over a period of three times the period of military service, not to exceed five years. If the service member rejects re-employment option, no pension rights accrue for the period of military service, but the person's vested interest prior to entering military service would remain intact.

## 1994

### *Social Security Administrative Reform Act of 1994 (Public Law 103-296)*

Established the Social Security Administration as an independent federal agency effective March 31, 1995.

### *Bankruptcy Reform Act of 1994 (Public Law 103-394)*

Gave the PBGC and state and local government pension plans seats on creditors' committees in corporate bankruptcies.

*Social Security Act Amendments of 1994 (Public Law 103-432)*

Simplified employment taxes for domestic services. Reallocated a portion of the Social Security tax to the Disability Insurance trust fund.

*Uruguay Round Agreements Act (GATT) 1994 (Public Law 103-465)*

Included provisions from the Retirement Protection Act of 1993 to require greater contributions to underfunded plans. Limited the range of interest rate and mortality assumptions used to establish funding targets, phased out the variable rate premium cap, modified certain rules relating to participant protections, and required private companies with underfunded pension plans to notify the PBGC before engaging in a large corporate transaction. Slowed pension Sec. 415 and Sec 401(k) cost-of living adjustments. Extended through the year 2000 provision that allows excess pension assets in certain defined benefit plans to be transferred into a 401(h) retiree health benefits account.

**1996**

*The Small Business Job Protection Act of 1996 (Public Law 104-188)*

Created the savings incentive match plan for employees (SIMPLE) for small establishments. Created a new nondiscrimination safe harbor, repealed sec. 415(e) limits, created a new definition of highly compensated employees, modified plan distribution rules, repealed family aggregation rules, made USERRA technical changes, and required that sec. 457 plan assets be held in trust. Additionally, allowed non-working spouses to contribute up to \$2,000 to an Individual Retirement Account (IRA) if the working spouse is eligible, clarified employment tax status for independent contractors, and temporarily reinstated the sec. 127 education deduction.

*"Source Tax" Repeal 1996 (Public Law 104-95)*

Restricted the ability of states to tax nonresidents' pension incomes earned while working in the state. Prohibited states from taxing ex-residents on (i) all qualified plan benefits, all 403(a) and (b) annuity plans, Sec. 457 plans, IRAs, SEPs, and governmental plans; (ii) nonqualified plan benefits that are paid in substantially equal periodic payments for at least 10 years or life; and (iii) nonqualified "mirror" plan benefits that would have been provided under a qualified plan but for the various benefit, compensation, and contribution limits.

*Contract With America Advancement Act of 1996 (Public Law 104-121)*

Increased to \$30,000 the amount of employment income beneficiaries aged 65-69 can earn annually without triggering pension payment reductions.

## **1997**

*A bill amending title I of the Employee Retirement Income Security Act of 1974 to clarify treatment of investment managers (Public Law 105-72)*

ERISA's definition of "investment manager" expanded to include fiduciary registered under state law.

*Savings Are Vital to Everyone's Retirement (SAVER Act) of 1997 (Public Law 105-92)*

Required DOL to create public education program to describe retirement savings principles, types of plans, tax treatment, and legal requirements, including an Internet site for personal calculation of retirement savings needs. Also required the President to convene national summits to increase public awareness, identify issues, and develop recommendations.

*Taxpayer Relief Act of 1997 (TRA 97) (Public Law 105-34)*

Included numerous provisions that directly affect retirement plans, including provisions that applied the 10% limit on investment in employer securities and real property to certain 401(k) elective deferrals; increased the 150% full funding limit; increased the involuntary distribution cash-out limit to \$5,000; repealed the 15% excise tax on excess distributions; made permanent the current moratorium on nondiscrimination rules for public pension plans; and changed 403(b) annuity rules. Also included child tax credit; capital gains relief; expansion of deductible IRAs; creation of nondeductible "Roth IRAs" and education IRAs.

## **1998**

*Higher Education Act Amendments (Public Law 105-244)*

Allowed colleges and universities to offer age-based voluntary early retirement incentives to tenured faculty members by amending the ADEA to add a safe harbor for such incentive arrangements, effective October 7, 1998.

## **2000**

*Social Security Amendments of 2000 (Public Law 106-182)*

Repealed the earnings limit for individuals who have attained normal retirement age.

## **2001**

*Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) (Public Law 107-16)*

Increased the contribution limits on 401(k), 403(b), 457 plans, and IRAs. Permitted catch-up contributions for individuals age 50 and over. Created tax credits to help small businesses start up pension plans. Increased portability for plan participants.

## **2002**

*Job Creation and Worker Assistance Act of 2002 (Public Law 107-147)*

Increased interest rate assumptions used for calculating defined benefit plan contributions, benefit calculation, and PBGC premium rates.

*Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002 (Public Law 107-204)*

Requires a 30-day notice before instituting a “blackout period” on investment changes while administrators are being changed for 401(k) plan administration. Prohibits executives from selling their own stock in non-qualified retirement plans during blackout periods in the 401(k) plan.

## **2004**

*Pension Funding Equity Act of 2004 (Public Law 108-218)*

Set a new pension interest benchmark through 2005. The new standard would be the blended corporate bond rate.

## **2005**

*The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Public Law 109-8)*

Includes new protections for assets held in pension plans and Individual Retirement Accounts, and other pension-related provisions.

*Deficit Reduction Omnibus Budget Reconciliation Act of 2005 (Public Law 109-171)*

This law, among other things: (i) raises plan sponsor flat-rate premiums to the PBGC from \$19 to \$30 per participant; (ii) automatically indexes premium increases to wage increases; and (iii) imposes a special premium of \$1,250 per plan participant (for the first three years) for companies emerging from bankruptcy that had terminated their pension plans. The provision for a special premium would also apply to distress terminations outside of bankruptcy.

*Tax Increase Prevention and Reconciliation Act of 2005 (Public Law 109-222)*

The act removes income restrictions on converting traditional IRAs to Roth IRAs. It also imposes new penalties and reporting requirements on managers of tax-exempt entities — including qualified plans, IRAs and other tax-favored arrangements, as well as charities and more traditional tax-exempt organizations — who engage in certain tax-shelter transactions.

## **2006**

*Pension Protection Act of 2006 (Public Law 109-280)*

The pension law aimed to tighten rules governing how companies fund their pension plans, so as to avoid a potential taxpayer bailout of the PBGC, but to do so in a way that does not force private-sector plan sponsors to terminate their pension benefits. In addition, the law makes a number of significant changes in defined contribution rules, in particular to encourage automatic enrollment in 401(k) plans and to make it easier for 401(k) sponsors to offer investment advice to plan participants.

## 2008

### *Heroes Earnings Assistance and Relief Tax Act of 2008 (Public Law 110-245)*

Per the Act, Active duty members of the Reserve may withdraw funds from their retirement without facing penalty. Additionally, recipients of monetary military death benefits may roll over the amount tax-free into a Roth IRA.

### *Worker, Retiree, and Employer Recovery Act of 2008 (Public Law 110-458)*

Enacted technical corrections to the Pension Protection Act of 2006 concerning age related rules, cost of benefits, and limitations on income deductions. Also covers pension provisions relating to the economic crisis by extending pension fund improvement periods, easing additional contribution requirements for organizations, and waiving minimum fund distribution requirements.

## 2010

### *Hiring Incentives to Restore Employment (HIRE) Act (Public Law 111-147)*

Amends the Internal Revenue Code to: (1) exempt for-profit and nonprofit employers, including public institutions of higher education, from Social Security and railroad retirement taxes in 2010 (except for the first calendar quarter of such year) for new employees who are hired after February 3, 2010, and before January 1, 2011, and who certify that they have not worked more than 40 hours during the last 60 days; and (2) allow an increase in the general business tax credit for the retention of such employees for at least one year at specified wage levels. Prohibits any carryback of unused business tax credit amounts.

### *Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (Public Law 111-192)*

Amends the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code (IRC) with respect to the shortfall amortization charge in the formula for determining the minimum required contribution for any plan year of a single-employer defined benefit plan in which the value of plan assets is less than the plan's funding target for the plan year. Allows a sponsor of a single-employer defined benefit pension plan to elect in any two plan years 2008-2011 extended amortization periods (of 9 or 15 years instead of the usual 7 years). Amends the Pension Protection Act of 2006 (PPA 2006) to allow sponsors of certain eligible cooperative pension plans, Pension Benefit Guaranty Corporation (PBGC) settlement plans, and government contractor cooperative plans or eligible charity plans with delayed effective dates to elect, in certain plan years 2008-2011, to apply specified pre-PPA 2006 minimum funding rules with respect to unfunded new liabilities (under 90% funded) for either: (1) a two-year lookback for determining deficit reduction contributions for certain plans with 9-year extended amortization periods; or (2) a new applicable percentage in the determination of a 15-year extended amortization period. Revises the formula for determining the adjusted funding target attainment percentage of single-employer benefit plans for plan years between October 1, 2008, and October 1, 2010 (FY2009 and FY2010), to make a special FY2007 plan year lookback rule with respect to determining when an unpredictable

contingent event benefit may not be paid. Amends ERISA and IRC relating to minimum funding standards for multiemployer pension plans. Makes a special relief rule to allow such plans to elect alternative amortization plans and valuation methods for amortization of net investment losses incurred in either or both of the first two plan years ending after August 31, 2008, with a specified expanded smoothing period in asset valuation methods. Requires plan sponsors to give notice of such an election to participants and beneficiaries of the plan and the PBGC.

*Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203)*

Most provisions pertain to the accountability and transparency of banks and financial companies. Clarifies that swap dealers will only be considered fiduciaries when acting as advisors to pension funds and excludes pension funds from the definition of major swap participants, even if they use swaps to hedge or mitigate risk. Title VII amends the Commodity Exchange Act to set forth: (1) circumstances under which it is unlawful to enter into any swap that the Commodity Futures Trading Commission (CFTC) determines performs a significant price discovery function with respect to registered entities; (2) requirements for the registration and regulation of swap dealers and major swap participants (including maintenance of daily trading records); (3) special requirements for swap dealers acting either as advisors or as counterparties to special entities (federal, state, or local agencies, employee benefit plans or governmental benefit plans, or certain endowments). Title VII directs the Securities and Exchange Commission (SEC) to adopt business conduct requirements for security-based swap dealer or major security-based swap participant that acts as an advisor to a special entity (a federal, state, or local agency, or an employee benefit plan, a governmental benefit plan, or a charitable endowment). Title X establishes an independent Bureau of Consumer Financial Protection (CFPB) in the Federal Reserve System to regulate consumer financial products or services under federal consumer financial laws, but excludes from CFPB supervisory or rulemaking authority employee benefit and compensation plans and certain other arrangements.

*Small Business Jobs Act of 2010 (Public Law 111-240)*

Permits participants in government Section 457 plans (deferred compensation plans of state and local governments and tax-exempt organizations) to treat elective deferrals as Roth IRA contributions (subject to immediate taxation). Includes within taxable gross income certain rollovers from elective deferral plans to designated Roth IRA accounts. Includes within gross income any amount received as an annuity under an annuity, endowment, or life insurance contract. Prescribes the treatment for partial annuitization.

*Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Public Law 111-312)*

Title VI includes a temporary employee payroll tax cut, reducing by 2% in calendar year 2011 (the payroll tax holiday period) employment and self-employment tax rates. Requires a transfer of amounts from the Treasury to the Federal Old Age and Survivors Trust Fund, the Federal Disability Insurance Trust Fund, and the Social

Security Equivalent Benefit Account to compensate for revenue lost as a result of such reduction in the employment and self-employment tax rates. Title VII extends through 2011 the tax exemption for distributions from individual retirement accounts (IRAs) for charitable purposes.

## **2011**

*Temporary Payroll Tax Cut Continuation Act of 2011 (Public Law 112-78)*

Amends the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 to extend: (1) the reduction in the rate of the self-employment tax on self-employed individuals through 2012; and (2) the reduction in the rate of the employment tax on employees until February 29, 2012.

## **2012**

*Moving Ahead for Progress in the 21<sup>st</sup> Century Act (or MAP-21) (Public Law 112-141)*

Includes the following provisions: Title II - Revenue Provisions, Subtitle B: Pension Provisions - Part I: Pension Funding Stabilization; Part II: PBGC Premiums; Part III: Improvements of PBGC; Part IV: Transfers of Excess Pension Assets.

## **2013**

*American Taxpayer Relief Act of 2012 (Public Law 112-240)*

Amends the Internal Revenue Code to permit an applicable tax-deferred retirement plan that includes a qualified Roth contribution (a program under which an employee may elect to make designated Roth contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the plan) to allow an individual to elect to have the plan transfer any amount not otherwise distributable to a designated Roth account maintained for the individual's benefit. Treats such a transfer as a taxable rollover distribution to the account. (Roth account contributions are made with after-tax funds.) Exempts such a plan, including the federal Thrift Savings Plan, from certain normally applicable restrictions because of such a transfer.

*Continuing Appropriations Resolution, 2014 (Public Law 113-67)*

Defines "further revised annuity employee" for purposes of the Federal Employees Retirement System (FERS) as any individual who, on December 31, 2013: (1) is not a federal employee or Member of Congress under FERS; (2) is not performing civilian service which is credible service under FERS; (3) has less than five years of credible civilian service; and (4) after December 31, 2013, becomes employed as a federal employee or Member of Congress and performs service which is credible service under FERS. Increases the rate of contribution to FERS for further revised annuity employees, including federal employees, Members of Congress, congressional employees, law enforcement employees or air traffic controllers, nuclear materials couriers, and customs and border protection officers. Requires federal agencies to continue their current level of contributions to FERS after December 31, 2013, and to apply excess contributions to the reduction of the

unfunded liability of the Civil Service Retirement System (CSRS). Revises the cost-of-living adjustment to the retirement pay of members of the Armed Forces who have not reached age 62 to require an annual adjustment to such pay, beginning on December 1, 2015, based on the Consumer Price Index (CPI) less 1%. Requires the Secretary of Defense (DOD) to recompute the retired pay of members when they reach age 62 to restore reductions made to their cost-of-living adjustments. Amends the Employee Retirement Income Security Act of 1974 (ERISA) to increase the flat-rate and variable rate premiums payable to the Pension Benefit Guaranty Corporation (PBGC) in 2015 and 2016. Increases the variable rate premium cap to \$500 for plan years beginning after 2015.

## **2014**

### *Highway and Transportation Funding Act of 2014 (Public Law 113-159)*

Amends the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code to revise the applicable percentages for determining minimum funding standards for single-employer defined benefit pension plans (funding stabilization). Exempts plans providing accelerated benefit distributions from the application of such standards.

### *Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235)*

The law includes the following provisions: Division O--Multiemployer Pension Reform Act of 2014, Title I: Modifications to Multiemployer Plan Rules - Subtitle A: Amendments to Pension Protection Act of 2006; Subtitle B: Multiemployer Plan Mergers and Partitions; Subtitle C: Strengthening the Pension Benefit Guaranty Corporation; Title II: Remediation Measures for Deeply Troubled Plans. Division P includes Other Retirement-Related Modifications.

## **2015**

### *Defending Public Safety Employees' Retirement Act (Public Law 114-26)*

(Sec. 2) This bill amends the Internal Revenue Code, with respect to the exemption from the 10% penalty tax on early distributions from a government retirement plan for qualified public safety employees who have reached age 50, to expand the exemption to include specified federal law enforcement officers, customs and border protection officers, federal firefighters, and air traffic controllers who similarly have reached age 50. The bill also eliminates the restriction that only distributions from governmental plans that are defined benefit plans qualify for the exemption, thus allowing an exemption of distributions from defined contribution plans and other types of governmental plans. Additionally, early distributions are not treated as a modification of substantially equal payments for purposes of determining an increase in the penalty tax. The amendments made by this bill apply to distributions made after December 31, 2015.

## **Health Insurance Legislation**

### **1939**

*Revenue Act of 1939 (sec. 104) (Public Law 76-1)*

Established employee tax exclusion for compensation for injuries, sickness, or both, received under workers' compensation, accident, or health insurance.

### **1942**

*Revenue Act of 1942 (sec. 213) (Public Law 77-753)*

Established the medical expense deduction.

### **1954**

*Revenue Act of 1954 (sec. 105)*

Required that amounts received under accident and health plans be included in employees' gross income if (1) they are attributable to employer contributions not previously included in the employee's gross income or (2) the amount is paid to the employee by the employer.

*Revenue Act of 1954 (sec. 106)*

Confirmed the nontaxable status of employers contribution to accident and health plans benefiting employees.

### **1965**

*Social Security Amendments of 1965 (Public Law 89-97)*

Enacted Medicare and Medicaid. Permitted one-half of premiums paid for medical insurance, not in excess of \$150, to be deducted from taxable income.

### **1973**

*Health Maintenance Organization Act of 1973 (Public Law 93-222)*

Established benefit, administrative, financial, and contractual requirements for entities seeking designation as federally qualified health maintenance organizations (HMOs).

### **1974**

*Employee Retirement Income Security Act of 1974 (ERISA) (Public Law 93-406)*

Established uniform standards that employee benefit plans must follow to obtain and maintain their tax-favored status. ERISA supersedes or preempts all state law otherwise applicable to pension and welfare plans covered by ERISA.

### **1982**

*Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) (Public Law 97-248)*

Eliminated the separate deduction for health insurance premiums and included health insurance premiums as medical expenses that may be deducted subject to the adjusted gross income floor. Limited deductions for medical expenses to amounts in excess of 5 percent of adjusted gross income.

## 1984

### *Deficit Reduction Act of 1984 (DEFRA) (Public Law 98-369)*

Made changes to the tax treatment and contribution limits of voluntary employee beneficiary associations (VEBAs) and imposed new nondiscrimination rules for VEBAs similar to those for tax-qualified pension and profit-sharing plans.

Expanded Medicaid eligibility and made Medicare the secondary payer for covered health expenses of workers aged 65-69, covered by an employer plan.

## 1985

### *Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) (Public Law 99-272)*

Required employers with 20 or more employees to make available continued health care coverage for a specified period to employees (and/or qualified dependents) who terminate employment for reasons other than gross misconduct.

## 1986

### *Tax Reform Act of 1986 (Public Law 99-514)*

Established new nondiscrimination rules for health and welfare plans under Internal Revenue Code sec. 89 Limited deductions for medical expenses to amounts exceeding 7.5 percent of adjusted gross income. Allowed a deduction for 25 percent of the amount paid for health insurance for self-employed individuals, spouses, and dependents.

### *Omnibus Budget Reconciliation Act of 1986 (OBRA '86) (Public Law 99-509)*

Amended COBRA to make the loss of retiree health coverage because of a firm's chapter 11 bankruptcy filing a qualifying event for continuation of health insurance coverage for retirees and their dependents.

## 1987

### *Omnibus Budget Reconciliation Act of 1987 (OBRA '87) (Public Law 100-203)*

Allowed states to extend Medicaid coverage to pregnant women and infants in families with incomes up to 185 percent of poverty level.

## 1988

### *Technical and Miscellaneous Revenue Act of 1988 (TAMRA) (Public Law 100-647)*

Eased some of the sec. 89 nondiscrimination rules for health and welfare plans Changed the penalty for a plan's noncompliance with COBRA from loss of the employer's health plan deduction for the year to an excise tax.

### *Medicare Catastrophic Coverage Act of 1988 (Public Law 100-360)*

Increased Medicare benefits to provide catastrophic health coverage and prescription drug benefits; expanded Medicaid benefits for pregnant women, children, and in-community spouses of elderly in nursing homes.

*Retirement Benefits Bankruptcy Protection Act of 1988 (Public Law 100-334)*

Required companies that file for reorganization under chapter 11 of the bankruptcy code to continue paying life and health insurance benefits to retirees. Such companies are prevented from modifying their plans unless they can prove it is necessary to do so to avoid liquidation.

*Health Maintenance Organization Act Amendments of 1988 (Public Law 100-517)*

Relaxed some requirements of the 1973 HMO Act by making it easier for employers to negotiate rates and coverage. Repealed the requirement that employers of more than 25 workers who offer health insurance must offer the dual option of enrollment in a federally qualified HMO at the request of such an HMO.

**1989**

*Omnibus Budget Reconciliation Act of 1989 (OBRA '89) (Public Law 101-239)*

Allowed COBRA participants who become covered under another health plan to continue their former employer coverage for a health problem considered to be a pre-existing condition under the new plan. Extended the COBRA continuation period for individuals who are disabled at termination of employment, and raised the allowable premium for the extended period. Extended the tax deduction for health insurance costs of self-employed individuals (section 162(l)) through September 30, 1989.

*Medicare Catastrophic Coverage Repeal (Public Law 101-234)*

Repealed the catastrophic health care and prescription drug programs, and eliminated the supplemental Medicare premium and the maintenance of effort requirements that were included in the Medicare Catastrophic Coverage Act of 1988.

**1990**

*Omnibus Budget Reconciliation Act of 1990 (OBRA '90) (Public Law 101-508)*

Increased to \$125,000 the wage cap for the 1.45 percent Medicare payroll tax. Increased Medicare Part B monthly premiums and annual deductible. Required the establishment of 10 standard private Medigap policies to be offered by all insurers. Prohibited the sale of duplicative Medigap policies to individuals. Reduced Medicare payments to hospitals under the Medicare prospective payment system (PPS). Required states to pay health insurance premiums and cost-sharing for Medicaid beneficiaries for enrollment under group health plans (including COBRA continuation coverage) when cost effective to do so. Mandated Medicaid coverage for all children under age 19 in families with incomes at or below 100 percent of the federal poverty level. Generally denied federal Medicaid matching expenses for prescription drugs from any manufacturer that does not agree to provide specified rebates to states on a quarterly basis. Created a low-income tax credit for the costs of health insurance coverage premiums for children. Allowed the limited use of qualified transfers of excess pension plan assets to a 401(h) account to pay for current retiree health benefits in certain cases.

*Older Workers Benefit Protection Act of 1990 (Public Law 101-433)*

Amended the Age Discrimination in Employment Act (ADEA) to apply to employee benefits. Restored and codified the equal benefit for equal cost principle. Set a series of minimum standards for waivers of rights under ADEA in early retirement situations.

*Americans with Disabilities Act of 1990 (Public Law 101-336)*

Prohibited employment discrimination on the basis of disability. Includes a provision to protect ERISA preemption of state laws relating to health plans. Permitted insurance companies, HMOs, and benefit plan administrators to follow risk-classification and underwriting policies permitted under state law.

**1991**

*Tax Extension Act of 1991 (Public Law 102-227)*

Temporarily extended the tax deduction for health insurance costs of self-employed individuals.

*National Energy Efficiency Act of 1991 (Public Law 102-486)*

Included a provision that requires coal producers to fund health and death benefits for eligible retired coal miners and their dependents.

*Rural Telephone Cooperative Association Amendments (P.L. 102-89, 1991)*

Provided equal treatment of telephone and electric cooperative welfare plans under ERISA preemption.

**1993**

*Omnibus Budget Reconciliation Act of 1993 (OBRA '93) (Public Law 103-66)*

Included a tax enforcement provision aimed at ensuring that certain New York state group health plans (including self-insured plans) pay state imposed surcharges on inpatient hospital bills. Modified ERISA as it relates to group health plan coverage of pediatric vaccines, compliance with medical child support orders, and coverage of adoptive children as dependents. Reduced the growth of overall Medicare spending by \$56 billion. Repealed the wage base cap on payroll taxes for the Medicare Hospital Insurance program. Extended the 25 percent deduction for the health insurance costs of self-employed individuals until Dec. 31, 1993. Required that employers report information relating to the health insurance coverage status of employees and their dependents to the Health Care Financing Administration (HCFA) Medicare and Medicaid Coverage Data Bank.

*Uniformed Services Employment and Reemployment Rights Act of 1993 (Public Law 103-353)*

Clarified the right to continue employer-sponsored health insurance for up to 18 months for persons who have coverage in connection with employment and who are absent due to military service. Limited the obligation to continue coverage if the person fails to apply for or return to a position of employment. Persons covered by

the plan would not be subject to a waiting period or an exclusion on reinstatement following a period of service.

## **1995**

### *Deduction for Health Insurance Costs of Self-Employed Individuals (section 162(l)IRC) (Public Law 104-7)*

Extended the tax deduction for health insurance cost of self-employed individuals through December 31, 1993; increased the deduction to 30% from 1995 forward; and made the deduction permanent. Extended through December 31, 1995, a provision that permits New York to impose surcharges on group health plans (including self-insured plans) regarding inpatient hospital bills.

### *Medicare Select Policies, Extension (Public Law 104-18)*

Extended the Medicare Select program for three years and expanded it to include all 50 states. Makes the program permanent on June 20, 1998, unless Department of Health and Human Services determines otherwise.

### *Social Security Act Amendments (Public Law 103-432)*

Extended the Medicare Select program through June 30, 1995.

## **1996**

### *Health Insurance Portability and Accountability Act of 1996 (HIPAA) (Public Law 104-191)*

Set national nondiscrimination and "portability" standards for individual health insurance coverage, HMOs and group health plans, extended COBRA disability eligibility to beneficiaries of the covered individual, established tax-favored treatment of long-term care insurance, and instituted a medical savings account (MSA) program, limited to 750,000 individuals by 2000.

### *Mental Health Parity Act of 1996 (Public Law 104-204)*

Requires any group health plan that offers mental health benefits to offer the same annual and lifetime dollar limits that apply to conventional coverage. Health plans may continue to specify different limits on inpatient treatment, cost-sharing requirements, and standards relating to medical necessity. Employers with fewer than 51 employees and plans that experience a cost increase of 1 percent or more are exempt.

### *Newborns' and Mothers' Health Protection Act of 1996 (Public Law 104-204)*

Adopted as an amendment to the VA/HUD reauthorization bill. Requires health plans and health insurers to offer a minimum 48-hour hospital stay for all new mothers and infants, and a minimum 96-hour stay after Caesarean sections. Health plans may not offer financial incentives to encourage shorter stays. Health plans may impose deductibles and co-payments for such stays as long as they are not designed to encourage early discharges.

*Medicare/Medicaid Coverage Data Bank Repeal 1996 (Public Law 104-226)*

Repealed the data gathering mechanism originally authorized as part of the Omnibus Budget Reconciliation Act of 1993. The data bank's purpose was to aid the Health Care Financing Administration (HCFA) in recovering payments made by Medicare and Medicaid when a third party should have been the primary payer. The data bank would have required all health plan sponsors and insurers to report detailed information on covered dependents to HCFA.

*Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193)*

Changed who is eligible for coverage under Medicaid. The law replaced Aid to Families with Dependent Children (AFDC) with Temporary Assistance for Needy Families (TANF). Pre-TANF, an individual who received benefits through AFDC or Supplementary Security Income (SSI) automatically became entitled to Medicaid. This link was severed under the new law. Immigrants who legally entered the United States after August 1996 are barred from Medicaid for the first five years they are in the country except for emergency care. The eligibility standards after the five-year period were made more restrictive. For example, an immigrant's sponsor's income and assets are taken into account when determining Medicaid eligibility even if the immigrant lives independently of the sponsor.

**1997**

*Balanced Budget Act of 1997 (Public Law 105-33)*

Included many changes to spending and entitlement programs. Reduced anticipated Medicare spending by \$115 billion over five years, largely through reductions in provider reimbursements. Created Medicare+Choice, with new coverage options: HMOs, PPOs, PSOs, private fee-for-service, and medical savings accounts. Provided new preventive Medicare benefits. Applied new consumer protections to Medicare and Medicaid plans. Established the National Bipartisan Commission on the Future of Medicare. Modified, extended, and made permanent certain Medicare secondary payor rules. Reduced anticipated Medicaid spending by \$13 billion over five years. Increased state flexibility for Medicaid program. Created a \$24 billion State Child Health Insurance Program (SCHIP) to provide matching funds to states to expand coverage of low-income uninsured children, financed partially through an increase in the tobacco tax.

**1998**

*Omnibus Consolidated and Emergency Supplemental Appropriations Act (Public Law 105-277)*

Required coverage by group health plans, individual insurance issuers, and state/local government plans for reconstructive surgery following mastectomies. Required coverage of contraceptives by federal employee health benefit plans. Accelerated the full deductibility of health insurance premiums for self-employed individuals (60 percent deduction for 1999-2001, 70 percent for 2002, and 100 percent for 2003 and thereafter).

## **1999**

### *Medicare, Medicaid, and SCHIP Balanced Budget Refinement (Public Law 106-113)*

Restored some Medicare provider payments originally cut by the Balanced Budget Act of 1997. For Medicaid, increased DSH payments for certain states (DC, MN, NM, WY); provided enhanced matching payments for medical and utilization reviews for Medicaid fee-for-service programs; and permanently extended a \$500 million outreach fund designed to help states pay for costs associated with individuals losing Medicaid coverage after leaving welfare rolls. For SCHIP, the Act increased program allotments nationwide, modified the BBA allotment distribution formula to limit fluctuations in allocations, and provided funds for data collection necessary to monitor and evaluate the implementation of SCHIP programs.

### *The Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170)*

Expanded states' ability to provide a Medicaid "buy-in" to individuals with disabilities who return to work and would otherwise lose Medicaid coverage; created a new Medicaid demonstration project to assess the effectiveness of providing Medicaid coverage to persons whose condition has not yet deteriorated enough to prevent work, but who need health care to prevent or forestall that level of deterioration. Lengthened from 4 years to 8-1/2 years the period for which Social Security disability beneficiaries who return to work can continue to receive reduced-cost Medicare coverage. The exclusion for excess asset transfers from DB plans to pay for retiree health benefits (section 420) was extended through December 31, 2005.

## **2002**

### *Job Creation and Worker Assistance Act of 2002 (Public Law 107-147)*

Extended the Mental Health Parity Act for one year. Extended the Medical Savings Account pilot program through December 31, 2003.

## **2003**

### *Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108-173)*

This act created Medicare Part D, an outpatient prescription drug benefit for Medicare beneficiaries. It provides a subsidy to employers for 28 percent of the cost of some drug benefits for retirees. It also allows certain individuals to contribute to health savings accounts (HSAs) which allow individuals to save money for insurance premiums and out-of-pocket health expenses in retirement on a tax-favored basis.

## 2005

### *Patient Safety and Quality Improvement Act of 2005 (Public Law 109-41)*

Requires the Secretary of Health and Human Services to create and maintain a network of patient safety databases. Information reported to these databases will be used to analyze trends and patterns of health care errors.

## 2006

### *Tax Relief and Health Care Act (Public Law 109-432)*

Extended through 2007 the Mental Health Parity Act and Archer Medical Savings Accounts. Allows one-time contributions and transfers from flexible spending accounts, health reimbursement accounts, and IRAs.

## 2008

### *Genetic Information Non-discrimination Act of 2008 (Public Law 110-233)*

Protects people from losing their jobs or health insurance when genetic testing reveals they are susceptible to costly diseases. The new law forbids employers and insurance companies from denying employment, promotions, or health coverage to people when genetic tests show they have a predisposition to cancer, heart disease, or other ailments.

### *Heroes Earnings Assistance and Relief Tax Act of 2008 (Public Law 110-245)*

Reservists on active duty for at least 180 days may withdraw the remainder of funds from their health care flexible spending account.

### *Emergency Economic Stabilization Act of 2008 (Public Law 110-343)*

The health section, also known as the *Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008*, required group health insurance plans to offer more comprehensive coverage for mental illness and substance abuse treatment. Mental health coverage must be considered on equal footing as a physical illness, ensuring the elimination of restrictive treatment limits and financial requirements for substance abuse and mental health benefits.

### *Michelle's Law (Public Law 110-381)*

Prohibited group health plans from terminating a dependent child's health coverage when they take leave from school or switch to part-time status because of a grave injury or illness.

### *An Act to Make A Technical Correction in the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equality Act of 2008 (Public Law 110-460)*

Amended the effective date of the Act to January 1, 2010, thereby extending the Act for another year.

## 2009

### *Children's Health Insurance Program Reauthorization Act of 2009 (Public Law 111-3)*

Extended government sponsored health insurance coverage to about 4 million uninsured children while continuing coverage for 7 million children already in the program. These children are from low to moderate income families that are not eligible for Medicaid but cannot afford private health insurance. Additional costs will be paid for by an increased cigarette tax. Dental and mental health coverage is guaranteed. States may use funds to extend coverage to legal immigrants and pregnant women.

### *American Recovery and Reinvestment Act of 2009 (Public Law 111-5)*

Provided additional funding for Medicaid, as well as health technology, training, research, and prevention programs. More importantly, the legislation allocated money for a 65% subsidy of COBRA health insurance costs for the unemployed. Employees fired since September 1, 2008, who declined COBRA coverage must be contacted by their former employer and informed of the aforementioned subsidy.

### *Department of Defense Appropriations Act, 2010 (Public Law 111-118)*

Amends the American Recovery and Reinvestment Act of 2009 to: (1) extend the job eligibility lost date to February 28, 2010, for health insurance premium assistance under the Consolidated Omnibus Budget Reconciliation Act (COBRA); and (2) extend from 9 to 15 months the COBRA health insurance subsidy for individuals who have lost jobs. Provides rules related to the 2009 extension of such assistance and the transition period prior to enactment of this section. Designates amounts appropriated during such extensions as emergency requirements. Amends title XVIII (Medicare) of the Social Security Act to: (1) provide a zero percent update to the sustainable growth rate conversion factor for physician payments for the period of January 1 through February 28, 2010; (2) state that such update shall have no effect on the computation of such conversion factor for the remainder of 2010 and subsequent years; (3) reduce for FY2014 amounts made available in the Medicare Improvement Fund; and (4) provide an FY2015 Fund amount.

## 2010

### *Temporary Extension Act of 2010 (Public Law 111-144)*

Amends the American Recovery and Reinvestment Act of 2009 (ARRA) to extend through March 31, 2010, the eligibility of a qualified beneficiary for COBRA (health insurance continuation benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985) continuation coverage and premium assistance. Redefines "premium assistance eligible individual" for COBRA continuation coverage to treat as a qualifying event for such coverage the involuntary termination of employment after enactment of this Act of any qualified beneficiary who did not make (or who made and discontinued) an election of such coverage on the basis of a reduction of hours of employment. Amends title XVIII (Medicare) of the Social Security Act to extend through March 31, 2010: (1) the 0% update to the conversion

factor in the Medicare physician payment computation; and (2) the Medicare physical therapy services caps exceptions process.

*Patient Protection and Affordable Care Act (Public Law 111-148)*

Amends the Public Health Service Act to prohibit a health plan ("health plan" under this subtitle excludes any "grandfathered health plan" as defined in section 1251) from establishing lifetime limits or annual limits on the dollar value of benefits for any participant or beneficiary after January 1, 2014. Declares that a health plan shall not be prevented from placing annual or lifetime per-beneficiary limits on covered benefits that are not essential health benefits to the extent that such limits are otherwise permitted. Prohibits a health plan ("health plan" under this subtitle excludes any "grandfathered health plan" as defined in section 1251) from: (1) imposing any preexisting condition exclusion; or (2) discriminating on the basis of any health status-related factor. Allows premium rates to vary only by individual or family coverage, rating area, age, or tobacco use. Provides that nothing in this Act shall be construed to require that an individual terminate coverage under a group health plan or health insurance coverage in which such individual was enrolled on the date of enactment of this Act. Allows family members of individuals currently enrolled in a plan to enroll in such plan or coverage if such enrollment was permitted under the terms of the plan. Allows new employees and their families to enroll in a group health plan that provides coverage on the date of enactment of this Act. Defines a "grandfathered health plan" as a group health plan or health insurance coverage in which an individual was enrolled on the date of enactment of this Act. Requires individuals to maintain minimal essential health care coverage beginning in 2014. Imposes a penalty for failure to maintain such coverage beginning in 2014, except for certain low-income individuals who cannot afford coverage, members of Indian tribes, and individuals who suffer hardship. Exempts from the coverage requirement individuals who object to health care coverage on religious grounds, individuals not lawfully present in the United States, and individuals who are incarcerated. Amends the Fair Labor Standards Act of 1938 to: (1) require employers with more than 200 full-time employees to automatically enroll new employees in a health care plan and provide notice of the opportunity to opt-out of such coverage; and (2) provide notice to employees about an Exchange, the availability of a tax credit for premium assistance, and the loss of an employer's contribution to an employer-provided health benefit plan if the employee purchases a plan through an Exchange. Imposes fines on large employers (employers with more than 50 full-time employees) who fail to offer their full-time employees the opportunity to enroll in minimum essential coverage or who have a waiting period for enrollment of more than 60 days.

*Health Care and Education Reconciliation Act of 2010 (Public Law 111-152)*

Amends the Patient Protection and Affordable Care Act (PPACA) to apply to grandfathered health plans for plan years beginning on or after January 1, 2014, provisions that prohibit a health plan from applying any waiting period for coverage that exceeds 90 days. (A grandfathered health plan is a group health plan or health

insurance coverage in which an individual was enrolled on the date of enactment of PPACA.) Applies to grandfathered health plans for plan years beginning on or after six months after enactment of PPACA provisions that: (1) prohibit a health plan from establishing lifetime limits on the dollar value of benefits for any participant or beneficiary; (2) prohibit a health plan from rescinding coverage of an enrollee except in the case of fraud or intentional misrepresentation of material fact; and (3) require a health plan that provides dependent coverage of children to make such coverage available for an adult child under 26 years of age. Applies to grandfathered group health plans for plan years beginning on or after January 1, 2014, provisions that: (1) prohibit a health plan from establishing annual limits on the dollar value of benefits for any participant or beneficiary, except that restrictions on annual limits apply for plan years beginning on or after six months after enactment of PPACA; and (2) prohibit a health plan from imposing any preexisting condition exclusions, except that such requirements apply for plan years beginning on or after six months after enactment of PPACA for enrollees under 19 years of age. Requires grandfathered group health plans for plan years beginning before January 1, 2014, to provide dependent coverage to an adult child until age 26 only if such child is not eligible to enroll in an employer-sponsored health plan other than such grandfathered health plan. Repeals the requirement that an adult child be unmarried in order to qualify for dependent coverage until age 26.

*Continuing Extension Act of 2010 (Public Law 111-157)*

Amends the American Recovery and Reinvestment Act of 2009 (ARRA) to extend through May 31, 2010, premium assistance for COBRA benefits (health insurance continuation benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985). Prescribes a special rule for an individual who experiences a qualifying event related to a termination of employment on or after April 1, 2010, and before the enactment of this Act. Applies to all COBRA continuation coverage, including state continuation coverage programs, with respect to such individual rules similar to those in the ARRA: (1) extending the election period for, and the effect on, COBRA continuation coverage; and (2) requiring a notice of such action by the administrator of a group health plan. Amends title XVIII (Medicare) of the Social Security Act (SSA) to extend through May 31, 2010, the 0% update to the conversion factor in the Medicare physician payment computation.

*Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010 (Public Law 111-192)*

Includes a Medicare physician payment fix, which prevents a 21% payment cut; sets 2.2% as the update to the single conversion factor in the formula for determining physician payment rates for June 1, 2010, through November 30, 2010.

*Physician Payment and Therapy Relief Act of 2010 (Public Law 111-286)*

Amends title XVIII (Medicare) of the Social Security Act to continue the existing 2.2% physician payment update that expires November 30, 2010, for an additional month through December 31, 2010.

*Medicare and Medicaid Extenders Act of 2010 (Public Law 111-309)*

Delays the planned 25% Medicare physician payment cut, that would have gone into effect January 1, 2011, one year (until December 31, 2011). Amends title XVIII (Medicare) of the Social Security Act (SSA) to set the 2011 update to the single conversion factor in the formula for the physicians' fee schedule at zero (thus freezing the physician payment update for 2011). Requires the conversion factor for 2012 and subsequent years to be computed as if the zero update for 2011 had never applied.

*Omnibus Trade Act of 2010 (Public Law 111-344)*

Amends the Trade and Globalization Adjustment Assistance Act of 2009 to extend trade adjustment assistance (TAA) programs through February 12, 2011. Amends the Internal Revenue Code (IRC) to extend through February 12, 2011, the 80% tax credit for health insurance costs (including advance payments) for TAA (as well as Pension Benefit Guaranty Corporation [PBGC] pension) recipients. Makes TAA recipients who are in a break in training under a training program, or who are receiving unemployment compensation, eligible for such tax credit for the period through February 12, 2011. Amends the IRC, the Employee Retirement Income Security Act of 1974 (ERISA), and the Public Health Service Act (PHSA) to extend through February 12, 2011, the TAA pre-certification period rule disregarding any 63-day lapse in creditable health care coverage for TAA workers. Extends the continued eligibility for the credit for qualifying family members and certain qualified TAA-eligible individuals and PBGC pension recipients for COBRA premium assistance through February 12, 2011. Extends through February 12, 2011, coverage under an employee benefit plan funded by a voluntary employees' beneficiary association established pursuant to an order of a bankruptcy court, or by agreement with an authorized representative.

## **2011**

*Comprehensive 1099 Taxpayer Protection and Repayment of Exchange Subsidy Overpayments Act of 2011 (Public Law 112-9)*

Amends the Internal Revenue Code to: (1) repeal requirements for the reporting to the Internal Revenue Service (IRS) of payments of \$600 or more to corporations that are not tax-exempt and of gross proceeds paid in consideration for any type of property; (2) repeal requirements for reporting payments made with respect to rental property which is not part of a trade or business; and (3) increase the limitation on recapture of excess advance payments of the tax credit for health insurance premiums.

*Department of Defense and Full-Year Continuing Appropriations Act of 2011 (Public Law 112-10)*

Directs the Comptroller General to report to Congress on: (1) the costs and processes of implementing the Patient Protection and Affordable Care Act (PPACA) and the health care provisions of the Health Care and Education

Reconciliation Act of 2010, (2) the results of an audit of requests for administrative waiver of the prohibition on annual limits for essential benefits in health insurance coverage, and (3) the results of an audit of expenditures for comparative effectiveness research through funds from any agency within HHS under ARRA or PPACA. Requires the Chief Actuary of the Centers for Medicare and Medicaid Services (CMS) to report an estimate of the impact of the guaranteed issue, guaranteed renewal, and community rating requirements enacted under PPACA on premiums for individuals and families with employer-sponsored health insurance. Repeals provisions of PPACA related to free choice vouchers, which allow certain employees to purchase health insurance through a health insurance exchange. Amends the Internal Revenue Code to repeal provisions related to free choice vouchers, including employer reporting requirements.

*3% Withholding Repeal and Job Creation Act (Public Law 112-56)*

Amends the Internal Revenue Code to include Social Security benefits that are excluded from gross income in the calculation of modified adjusted gross income for purposes of determining eligibility for the tax credit for coverage under a qualified health plan.

*Temporary Payroll Tax Cut Continuation Act of 2011 (Public Law 112-78)*

Amends title XVIII (Medicare) of the Social Security Act (SSA) to set the update to the single conversion factor in the formula for the physicians' fee schedule for the first two months of 2012 at zero (thus freezing the physician payment update for the first two months of 2012). Requires the conversion factor for the remaining portion of 2012 and subsequent years to be computed as if the zero update for the first two months of 2012 had never applied.

## **2012**

*Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96)*

Prevents payments to Medicare providers from being cut through the end of 2012. (extends through all of 2012 the freeze in the physician payment update made for the first two months of 2012).

## **2013**

*American Taxpayer Relief Act of 2012 (Public Law 112-240)*

Amends title XVIII (Medicare) of the Social Security Act (SSA) to extend for one year the Medicare physician payment rates without change. Includes another “doc fix” by avoiding a 27% reduction to Medicare physician reimbursements for 2013.

*Continuing Appropriations Act, 2014 (Public Law 113-46)*

Requires the Secretary of HHS to: (1) ensure that American Health Benefit Exchanges (health care exchanges) verify that individuals applying for premium tax credits and reductions in cost-sharing for the purchase of qualified health benefit plans under the Patient Protection and Affordable Care Act (PPACA) are eligible for such credits and cost sharing reductions consistent with PPACA requirements;

and (2) prior to making such credits and reductions available, certify to Congress that the Exchanges verify such eligibility. Requires the Secretary to report to Congress detailing the procedures employed by Exchanges to verify such eligibility. Requires the Inspector General of HHS to report on the effectiveness of procedures and safeguards under PPACA for preventing the submission of inaccurate or fraudulent information by applicants for enrollment in a qualified health plan.

*Continuing Appropriations Resolution, 2014 (Public Law 113-67)*

Amends title XVIII (Medicare) of the Social Security Act (SSA) to establish an update to the single conversion factor in the formula for the physician payment of 0.5% for January through March of 2014.

**2014**

*Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235)*

Exempts from the Patient Protection and Affordable Care Act and the health care provisions of the Health Care and Education Reconciliation Act of 2010 (except employer reporting provisions and the tax on high cost employer sponsored plans) expatriate health plans, employers in their capacity as plan sponsors of expatriate health plans, and expatriate health insurance issuers with respect to expatriate health plans. Sets forth that expatriates enrolled in expatriate health plans are not a U.S. health risk. Requires expatriate health plans to provide specified coverage in countries where the expatriate is present or where designated by the Department of Health and Human Services (HHS) and to have an actuarial value at least equivalent to a bronze plan offered on a health exchange (60%). Includes as “qualified expatriates”: (1) foreign nationals assigned to work in the United States temporarily, (2) U.S. citizens working outside of the United States for at least 180 days in a 12-month period, and (3) U.S. citizens who are part of a group traveling or relocating internationally for a non-profit purpose.

**2015**

*Medicare Access and CHIP Reauthorization Act of 2015 (Public Law 114-10)*

Prevented a 21% Medicare physician payment cut. Amends title XVIII (Medicare) of the Social Security Act (SSAct) to: (1) remove sustainable growth rate (SGR) methodology from the determination of annual conversion factors in the formula for payment for physicians' services, and (2) revise the update in rates for 2015 and subsequent years. Requires two separate conversion factors for each year beginning with 2026, one for items and services furnished by a qualifying alternative payment model (APM) participant (qualifying APM conversion factor), and the other for other items and services (nonqualifying APM conversion factor). Freezes the update to the single conversion factor at 0.0% for January through June 2015. Sets the same update at 0.5% for July 1 through December 31, 2015, as well as for 2016 through 2019, then reduces it to 0.00% for 2020 through 2025. Sets the update to the qualifying APM conversion factor at 0.75%, and the update to the nonqualifying APM conversion factor at .0.25%, for 2026 and each subsequent year. Amends

SSAct title XXI (State Children's Health Insurance Program) (CHIP) to extend the CHIP program through FY2017, with revised allotment requirements. Prescribes a special rule formula for FY2016.

*Trade Preferences Extension Act of 2015 (Public Law 114-27)*

This Act restores the Health Coverage Tax Credit, which had expired at the end of 2013. It amends the Internal Revenue Code to extend the tax credit for health insurance costs of a taxpayer and qualifying family members through 2020. The tax credit for health insurance costs is a refundable tax credit equal to 72.5% of the cost of qualified health coverage paid by an eligible individual (defined as one who is receiving a trade adjustment allowance, is eligible for the alternative trade adjustment assistance program, or is over age 55 and receives pension benefits from the Pension Benefit Guaranty Corporation [PBGC]). A taxpayer shall make an election to have the tax credit apply for any eligible coverage month during a taxable year. An eligible coverage month is one in which an eligible individual is covered by qualified health insurance, does not have other specified coverage, and is not imprisoned. The Departments of the Treasury, of Health and Human Services (HHS), and of Labor and the PBGC shall conduct a public outreach, including on the Internet, to inform individuals eligible for the tax credit for health insurance costs on the extension of such credit and the availability of the election to claim such credit retroactively for coverage months beginning after December 31, 2013.

*Protecting Affordable Coverage for Employees (PACE) Act (Public Law 114-60)*

This Act amends the Patient Protection and Affordable Care Act (PPACA) and Public Health Service Act to include employers with 51 to 100 employees as large employers for purposes of health insurance markets. States have the option to treat these employers as small employers. Currently under PPACA, employers with 51 to 100 employees are small employers, but before January 1, 2016, states have the option to treat them as large employers. (Under PPACA, health insurance offered in the small group market must meet certain requirements that do not apply to the large group market, including the requirement to cover the essential health benefits.)

## **Welfare Legislation**

### **1956**

*Social Security Amendments of 1956 (Public Law 84-880)*

Created the Disability Insurance Program.

### **1959**

*Life Insurance Company Income Tax Act of 1959 (Public Law 86-69)*

Excluded from taxation the investment income attributable to insured pension reserves.

**1964**

*Revenue Act of 1964 (Public Law 88-272)*

Established \$50,000 limit on value of life insurance that can be supported by tax-deductible premiums.

**1974**

*Employee Retirement Income Security Act of 1974 (ERISA) (Public Law 93-406)*

Established uniform standards that employee benefit plans must follow to obtain and maintain their tax-favored status. ERISA supersedes or preempts all state law otherwise applicable to pension and welfare plans covered by ERISA.

**1976**

*Tax Reform Act of 1976 (Public Law 94-455)*

Eliminated sick pay exclusion. Created an exclusion of up to \$5,200 a year for retirees under age 65 who are permanently and totally disabled. Provided for special tax treatment of group legal services as an employee benefit.

**1978**

*Revenue Act of 1978 (sec. 105(h)) (Public Law 95-600)*

Established nondiscriminatory standards for self-insured medical reimbursement plans. Established exclusion for employer-paid education assistance.

*Revenue Act of 1978 (sec. 125) (Public Law 95-600)*

Permitted creation of cafeteria plans where employees may choose among two or more benefits of the plan without being subject to taxation. Employees may elect to have the employer contribute to a profit-sharing or stock bonus plan or to be paid in cash or other benefits.

**1980**

*Social Security Disability Amendments (Public Law 96-265)*

Amended Title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program.

**1981**

*Economic Recovery Tax Act (ERTA) (Public Law 97-34)*

Increased and modified child and dependent care tax credit. Established tax exclusion for employer-provided dependent care assistance (section 129).

**1982**

*Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) (Public Law 97-248)*

Changed the rules for computing the share of employer-paid group life insurance premiums to be included in employee's adjusted gross income.

## 1984

### *Tax Reform Act of 1984 (Public Law 98-369)*

Placed new limitations and excise taxes on welfare benefit plans. Applied nondiscrimination rules for term life insurance for retirees. Imposed a tax penalty on early distributions of universal life insurance annuities.

### *Deficit Reduction Act of 1984 (DEFRA) (Public Law 98-369)*

Adopted new qualification rules and contribution limits for welfare benefit funds. Imposed a tax penalty on early distributions of universal life insurance annuities. Provided special transition rules for cafeteria plans not complying with IRS regulations. Changed the taxation of group term life insurance, including taxation of the value of employer-provided coverage in excess of \$50,000 for retired employees, the application of nondiscrimination rules to retirees, and the imposition of penalties for plans considered discriminatory.

## 1986

### *Tax Reform Act of 1986 (Public Law 99-514)*

Established new nondiscrimination rules for health and welfare plans (Internal Revenue Code sec. 89). Limited the exclusion for dependent care assistance to \$5,000.

## 1988

### *Technical and Miscellaneous Revenue Act of 1988 (TAMRA) (Public Law 100-647)*

Eased some of the sec. 89 non-discrimination rules. Prohibited tax-free loans from single-premium life insurance policies purchased after June 20, 1988.

### *Retirement Benefits Bankruptcy Protection Act of 1988 (Public Law 100-334)*

Required companies that file for reorganization under chapter 11 of the bankruptcy code to continue paying life and health insurance benefits to retirees. Such companies are prevented from modifying their plans unless they can prove it is necessary to do so to avoid liquidation.

### *Family Support Act of 1988 (Public Law 100-485)*

Redefined eligible dependents for the dependent care tax credit and income exclusion and required employees to list their care provider's taxpayer identification information on their tax returns. Limited combined use of the dependent care tax credit and employer-sponsored dependent care spending accounts.

## 1990

### *Older Workers Benefit Protection Act of 1990 (Public Law 101-433)*

Amended the Age Discrimination in Employment Act (ADEA) to apply to employee benefits. Restored and codified the equal benefit for equal cost principle. Set a series of minimum standards for waivers of rights under ADEA in early retirement situations.

*Americans with Disabilities Act of 1990 (ADA) (Public Law 101-336)*

Prohibited employment discrimination on the basis of disability, including discrimination in the provision of benefits, and required employers to reasonably accommodate employees with disabilities. Included special rules for self-insured health plans subject to ERISA and permitted insurance companies, HMOs, and benefit plan administrators to follow risk-classification and underwriting policies that are legal under state law.

## **1991**

*Tax Extension Act of 1991 (Public Law 102-227)*

Extended for six months the tax deduction for employer-provided educational assistance and employer-provided group legal services.

*National Energy Efficiency Act of 1991 (Public Law 102-486)*

Included provisions to limit the employee deduction of employer-provided parking benefits and increase the tax-exempt employer-provided transit benefit.

## **1993**

*Family and Medical Leave Act of 1993 (Public Law 103-3)*

Provided up to 12 weeks of unpaid leave each year (with continued health insurance coverage) for the birth or adoption of a child or for serious illness of the employee or the employee's child, parent, or spouse to employees in firms with more than 50 workers.

*Omnibus Budget Reconciliation Act of 1993 (OBRA '93) (Public Law 103-66)*

Extended the exclusion for employer-provided educational assistance until Dec. 31, 1994 (retroactively from June 30, 1992).

## **1996**

*Defense of Marriage Act 1996 (DOMA) (Public Law 104-199)*

Allowed states to refuse to recognize a same-sex marriage performed in another state; created a federal definition of "marriage" as the "legal union between one man and one woman" and defined "spouse" as a "person of the opposite sex who is husband or wife."

*Contract With America Advancement Act of 1996 (Public Law 104-121)*

Also included limits on Disability and Supplemental Security Income benefits to persons disabled because of drug or alcohol abuse and limits on benefits to stepchildren.

*Small Business Job Protection Act of 1996 (Public Law 104-188)*

Reinstated and extended through May 31, 1997, the tax exclusion for employer-provided educational assistance, except for employer-provided assistance for graduate level courses; established tax exclusion for employer-provided adoption assistance. Expanded tax preference for housing to employees of academic health

centers; modified worker classification safe harbor; and repealed the \$5,000 death benefit exclusion.

*Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193)*

Changed the nation's welfare system into one requiring work in exchange for time-limited assistance. It created the Temporary Assistance for Needy Families (TANF) program, which replaced the Aid to Families with Dependent Children (AFDC), Emergency Assistance (EA), and Job Opportunities and Basic Skills Training (JOBS) programs. The law marks the end of federal entitlement to assistance. In TANF, states and territories operate programs, and Indian tribes have the option to run their own programs. States, territories, and tribes each receive a block grant allocation, and states must maintain a historical level of state spending known as maintenance of effort. The 1996 law offers states great flexibility in designing individual state TANF programs. Unless expressly provided under the statute, the federal government may not regulate the conduct of states.

**1997**

*Taxpayer Relief of 1997 (TRA 97) (Public Law 105-34)*

Extended the tax exclusion for employer-provided educational assistance for courses beginning before June 1, 2000, along with tax code changes affecting certain healthcare provisions.

**1998**

*IRS Restructuring and Reform (Public Law 105-206)*

Expanded the favorable tax treatment of meals provided by employers to their employees on their business premises. Overturned the Tax Court's *Schmidt Baking* decision, thus deferring employers' deductions for secured vacation, severance, and certain deferred compensation.

*Transportation Equity Act for the 21st Century (1998) (Public Law 105-178)*

Allowed employees to choose among cash, parking, transit passes, and vanpooling benefits, with the employee to be taxed on the cash received and on any excess in the value of parking, transit passes, and vanpooling benefits received over the applicable dollar caps. Increased caps on mass transit and vanpooling expenses to \$100 per month beginning in 2002. Suspended for 1999 the automatic inflation increase in the caps on qualified transportation fringes. Also applied Davis-Bacon Act, Civil Rights Act Title VI, and Federal Transit Act 13(c) protections to the new state infrastructure projects.

**1999**

*The Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170)*

Provided grants to states to design and administer services that support workers with disabilities. Provided Social Security disability beneficiaries a choice of providers

for employment-related services. Authorized the Social Security Administration to test new ways to enable individuals with disabilities to return to work. Enabled individuals with disabilities to reestablish eligibility for Social Security disability benefits on an expedited basis if their attempts to return to work fail. The Act also contained several provisions to extend expiring tax laws: the work opportunity tax credit was extended through December 31, 2001; the welfare-to-work tax credit was extended through December 31, 2001; and the exclusion for employer-provided educational assistance for undergraduate education (section 127) was extended to include courses beginning before January 1, 2002.

## **2000**

*Long Term Care Security Act of 2000 (Public Law 106-265)*

Allows federal government employees to purchase private long-term care insurance for themselves and qualified relatives at group discounts.

## **2001**

*Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) (Public Law 107-16)*

Increased benefit limits for adoption assistance benefits. Increased tax credits for dependent care expenses. Increased contribution limits on education IRAs. Granted federal tax qualified status for Sec. 529 plans. Exclusion from taxation of employer provided education assistance.

## **2009**

*Lilly Ledbetter Fair Pay Act of 2009 (Public Law 111-2)*

This law clarified that each paycheck reflecting gender-based pay discrimination constitutes a new violation of the Civil Rights Act of 1964, extending the current 180-day statute of limitations for filing an equal pay lawsuit.

*American Recovery and Reinvestment Act of 2009 (Public Law 111-5)*

Additional funding is provided for unemployment benefits, food stamps, welfare payments, job training, free meal programs, and a one-time \$250 payment for Social Security and SSI recipients, as well as veterans receiving disability and pension benefits.

*National Defense Authorization Act for Fiscal Year 2010 (Public Law 111-84)*

Includes members on active duty in a foreign country within coverage under the Family and Medical Leave Act of 1993. Includes as covered service members under such Act veterans receiving medical treatment, recuperation, and therapy for a serious injury or illness and who were members of the Armed Forces at any time during the five years preceding the date on which the veteran undergoes such treatment, recuperation, or therapy. Provides a similar expansion of eligibility for family and medical leave under such Act for federal civil service employees called to active duty because of qualifying exigencies.

*Department of Defense Appropriations Act, 2010 (Public Law 111-118)*

Amends various Acts to extend through February 28, 2010, provisions concerning: (1) federal-state agreements for emergency unemployment compensation; (2) an increase in unemployment compensation benefits; and (3) full federal funding of extended unemployment compensation. Extends through July 31, 2010, the period of limited extension of federal unemployment compensation benefits. Designates amounts appropriated during such extensions as emergency requirements.

**2010**

*Temporary Extension Act of 2010 (Public Law 111-144)*

Amends the Supplemental Appropriations Act, 2008 with respect to the state-established individual emergency unemployment compensation account (EUCA). Extends the final date for entering a federal-state agreement under the Emergency Unemployment Compensation (EUC) program through April 5, 2010. Postpones the termination of the program until September 4, 2010. Amends the Assistance for Unemployed Workers and Struggling Families Act to extend until April 5, 2010: (1) federal-state agreements increasing regular unemployment compensation payments to individuals; and (2) requirements that federal payments to states cover 100% of EUC.

*Continuing Extension Act of 2010 (Public Law 111-157)*

Amends the Supplemental Appropriations Act, 2008 with respect to the state-established individual emergency unemployment compensation account (EUCA). Extends the final date for entering a federal-state agreement under the Emergency Unemployment Compensation (EUC) program through June 2, 2010. Postpones the termination of the program until November 6, 2010. Amends the Assistance for Unemployed Workers and Struggling Families Act to extend until June 2, 2010: (1) federal-state agreements increasing regular unemployment compensation payments to individuals; and (2) requirements that federal payments to states cover 100% of EUC.

*Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Public Law 111-312)*

Extends through December 31, 2012: (1) the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), Public Law 107-16; (2) provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003, Public Law 108-27, reducing income tax rates on dividend and capital gain income; (3) increases in the Hope Scholarship tax credit, the child tax credit, and the earned income tax credit; and (4) increases in the tax credit for adoption expenses and the tax exclusion for employer-provided adoption assistance. Extends through 2011 the equalization of the tax exclusion for employer-provided mass transit and parking benefits. Amends the Supplemental Appropriations Act, 2008 with respect to the state-established individual emergency unemployment compensation account. Extends the final date for entering a federal-state agreement under the Emergency Unemployment Compensation (EUC) program through January 3, 2012. Postpones the termination

of the program until June 9, 2012. Amends the Assistance for Unemployed Workers and Struggling Families Act to extend until January 4, 2012, requirements that federal payments to states cover 100% of EUC.

## **2011**

*Temporary Payroll Tax Cut Continuation Act of 2011 (Public Law 112-78)*

Amends the Supplemental Appropriations Act, 2008 with respect to the state-established individual emergency unemployment compensation account (EUCA). Extends the final date for entering a federal-state agreement under the Emergency Unemployment Compensation (EUC) program through March 6, 2012. Postpones the termination of the program until August 15, 2012. Amends the Assistance for Unemployed Workers and Struggling Families Act to extend until March 7, 2012, requirements that federal payments to states cover 100% of EUC.

## **2012**

*Middle Class Tax Relief and Job Creation Act of 2012 (Public Law 112-96)*

Amends the Assistance for Unemployed Workers and Struggling Families Act to extend until December 31, 2012, requirements that federal payments to states cover 100% of EUC.

## **2013**

*American Taxpayer Relief Act (Public Law 112-240)*

Amends the Supplemental Appropriations Act, 2008 to extend emergency unemployment compensation (EUC) payments for eligible individuals to weeks of employment ending on or before January 1, 2014. Amends the Assistance for Unemployed Workers and Struggling Families Act to extend until December 31, 2013, requirements that federal payments to states cover 100% of EUC. Re-establishes the parity between qualified transportation (i.e., mass transit, vanpools, and transit passes provided by an employer) and qualified parking fringe benefits through Dec. 31, 2013, by extending through 2013 expiring tax provisions relating to individual taxpayers, including the equalization of the exclusion from gross income of employer-provided commuter transit and parking benefits. Permanently extends a provision under tax Code Section 127, which allows employers to exclude up to \$5,250 per year from an employee's wages for educational expenses incurred as part of an educational assistance program. Extends the adoption assistance credit indefinitely. Permanently extends the credit for employer-provided child care facilities and services under tax Code Section 45(F).

## **2014**

*Tax Increase Prevention Act of 2014 (Public Law 113-295)*

Extends through 2014 the equalization of the tax exclusion for employer-provided commuter transit and parking benefits. Section 103 of the Tax Increase Prevention Act of 2014 (TIPA) retroactively increased the monthly transit benefit exclusion from \$130 to \$250 per participating employee for the period of January 1, 2014,

through December 31, 2014. This increase in the monthly transit benefit exclusion does not extend past December 31, 2014. For 2015, the monthly exclusion is \$130.