

Medicare 101

At PIASC we get lots of questions about Medicare. How does Medicare work? How much does it cost? What kinds of benefits are available? When can I apply? Can my spouse be on my same plan? How does it compare to the medical insurance our company offers? How do I know what plan is right for me?

To answer these questions we reached out to Medicare consultant Chantal Blash. Chantal and her team are now available to help PIASC member companies and their employees understand and solve the Medicare puzzle. Here's what we learned...

What does Medicare cover?

Medicare is not just a single one-size-fits-all government-sponsored medical insurance plan. It has several components and a variety of choices.

- **Medicare Part A** covers 80% of Medicare-approved hospital expenses. To qualify for Part A you must be a U.S. citizen or legal resident and have lived in the U.S. for a minimum of five

- years. If you qualify for Medicare Part A it is free (i.e., paid for by the government).
- **Medicare Part B** covers 80% of the expenses of your Medicare-approved doctor visits and 80% of everything Medicare-approved that happens in the doctor's office. Medicare Part B has a monthly cost based on your income that is paid to the Federal government. To be eligible for Medicare Part B you must have worked in the U.S. for at least 40 quarters, which is a total of 10 years.
- **"Original Medicare"** refers to Medicare Part A plus Medicare Part B, which together cover 80% of your Medicare-approved hospital and doctor visit-related costs.
- **Medicare Part D** helps cover the cost of your prescription drugs. You can purchase a Part D plan separately, or there are plans that include Part D at no extra cost. Depending on your plan the out-of-pocket cost of your

- prescription medications can vary from zero and up based on the type of medications you take and whether they are generic or brand name.
- **Medicare Advantage with Prescription Drug Plans** (known as "MAPDs") are HMO (Health Maintenance Organization) plans offered through major private healthcare insurance companies such as Blue Shield and United Health Care. In some geographic areas the Medicare Advantage with Prescription Drug Plans have separate monthly premiums (in addition to your premium for Part B). In Southern California they do not have monthly premiums.
- **Medicare Supplement Plan** is another plan type. A Medicare Supplement Plan allows you to choose any doctor and any facility anywhere in the country that accepts Original Medicare, and get nearly 100% coverage for your hospital and doctor expenses that are covered by Medicare Part A and Part



B. However, there is a monthly premium in addition to your Part B premium, and the Plan does not include prescription coverage.

When do I need to sign up for Medicare?

The official eligibility age for Medicare is 65. You have a seven-month window in which you can sign up: three months prior to your 65th birthday, the month of your 65th birthday, and three months after your 65th birthday.

If you have employer-provided healthcare coverage when you turn 65 and choose not to apply at that time, you can change your mind and switch to Medicare at any time after you turn 65.

Continued on back

STATE HAPPENINGS BY RJ

Monthly Update from Our Lobbyist in Sacramento

Expect More Legislation Related to the CCPA

In my last column I provided a basic overview of the California Consumer Privacy Act of 2018, known as the CCPA (see <http://bit.ly/CCPA-previous>). Now that you've started to wrap your head around the CCPA, get ready to wrap your head around even more privacy legislation!

January 6 marked the first day of the second year of the 2019-2020 legislative session. Legislators will not only consider bills "left over" from 2019, they'll also have the opportunity to introduce new bills for consideration. We are already aware of multiple new proposals on the data privacy front.

In fact, some analysts are anticipating that over 100 different new bills will be introduced on this subject in 2020! One such proposal that has already been mentioned at least somewhat publicly will be coming from Senator Hannah-Beth Jackson. A Democrat from Santa Barbara, Senator Jackson is the Chair of the Senate Judiciary Committee. Needless to say, her proposal is expected to put onerous requirements on businesses across the state.

What else is to expect in 2020: A ballot initiative

In addition to the numerous legislative introductions, Alistair Mactaggart, founder of Californians for Consumer Privacy (and also the main driver for the media's and the legislature's current

focus on data privacy), has announced that he will pursue a ballot initiative for the November 2020 ballot. The California Privacy Rights and Enforcement Act would do a number of things to strengthen consumer data protections beyond the CCPA and thereby put even more burdensome and potentially costly requirements on businesses. The Act would create a new state agency to enforce consumer privacy protections. It would give consumers the right to block companies from using or selling sensitive personal data, such as health information, sexual orientation or precise geo-locations. It would require companies to tell consumers how much personal information they are collecting, why they're collecting it, and how long they

will keep it. And more. Alistair's goal in pursuing this Act is to ensure that the new data privacy laws (such as the CCPA) can't be altered in the legislature. After all, it's very difficult to undo the "will of the people at the ballot box." From his vantage point the California Privacy Rights and Enforcement Act is an insurance policy that will effectively prevent the tech companies and others from trying to make major alterations to the CCPA law. Alistair and the Californians for Consumer Privacy have already started the signature collection effort. Because this initiative resonates deeply with so many consumers, it is expected that its backers will easily surpass the requirement for 620,000 verified signatures.

RISK MANAGEMENT

IRS Provides Tips on How Taxpayers Can Avoid the Hooks of Phishing Scams

Knowledge and awareness are two things that can protect taxpayers and their family members from getting caught up in a phishing scam.

A phishing scam is often an unsolicited email or a website that looks like a legitimate site designed to trick users. The scams convince people to provide personal and financial information. Scam emails can arrive to personal and work accounts on computers, smartphones and tablets. Phishing scams often use one or more of these tactics. Scammers often do the following:

- Pose as a trusted bank, favorite retail store, government agency or even a tax professional
 - Tell the taxpayer there's something wrong with their account
 - Tell the recipient they're in violation of a law
 - Tell the taxpayer to open a link in the email or download an attachment
 - Send the taxpayer to a familiar-looking—but fake—website and ask them to log in to it
- Thieves do these to trick taxpayers into revealing account numbers and pass-

words. The thieves might secretly download malicious software onto someone's device to collect personal information. The criminals might also try to fool the recipient into sending money to the scammers.

To avoid getting tricked by a phishing scam, it is important to remember that the IRS will never do any of the following:

- Call to demand immediate payment using a specific payment method, such as a prepaid debit card, iTunes gift card or wire transfer
- Ask a taxpayer to make a payment to a

person or organization other than the U.S. Treasury

- Threaten to immediately bring in local police or other law-enforcement groups, saying they can have the taxpayer arrested for not paying
- Demand taxes be paid without giving the taxpayer the opportunity to question or appeal the amount owed

Source: Windes, <https://windes.com>

GOVERNMENT & LEGISLATIVE

On Our Radar

Updates to items we've been following:

Additional laws that went into effect in January:

- **Penalties for failure to pay wages** – AB 673 expands an employee's right to collect penalties for an employer's failure to pay wages in a timely fashion. While the amounts of the penalties remain the same (\$100 for each initial violation, \$200 for each subsequent violation, plus 25% of the withheld wages), the details regarding who can recover these penalties, and the mechanisms for doing so, have changed.
- **"No rehire" prohibited in settlement agreements** – Under AB 749, agreements that are used to settle employment disputes can no longer include provisions that prevent the employee from ever being rehired by the employer (or its parent company, subsidiary, division, affiliate or contractor). Exceptions are made in sexual harassment and sexual assault cases, as well as for separation agreements that are not related to employment disputes.
- **Additional leave for organ donors** – Previous law required employers with 15 or more employees to provide a paid leave of absence of up to 30 business days in a one-year period for the purpose of organ donation. AB 1223 expands this to also include an additional unpaid leave of absence of up to an additional 30 business days in a one-year period.

IRS Announces 2020 Mileage Reimbursement Rates

Beginning January 1, 2020, the standard mileage rates for the use of a car, van, pickup or panel truck will be 57.5 cents per mile driven for business use. This is a decrease of one half of a cent per mile from the 2019 rate.



HUMAN RESOURCES

SECURE Act Changes Some Retirement Plan Rules

In what is probably the most comprehensive set of revisions to the laws governing employer-sponsored retirement plans in over a decade, in December 2019 Congress passed the Setting Every Community Up for Retirement Enhancement (SECURE) Act. Overall, the changes made via the SECURE Act are meant to encourage retirement savings and reduce some of the burdens on plan sponsors. Some provisions went into effect on January 1, 2020, and others will go into effect in future years.

Here is a recap of some of the major changes made by the SECURE Act.

Changes to all retirement plans:

- Increases age for required minimum distributions from 70-1/2 to 72 for those who reach age 70-1/2 after December 31, 2019.
- Changes distribution period for non-spouse beneficiaries after death to generally require distribution within 10 years instead of over the beneficiary's life expectancy.
- Requires illustration of lifetime income to show participants how much monthly income their account could provide at retirement. After the Department of Labor issues a model and guidelines for this, plan sponsors will have at least 12 months to implement this new requirement.
- Provides a fiduciary safe harbor for the selection of an annuity provider. This

- is to encourage plan sponsors to offer lifetime income distribution options under defined contribution plans.
 - Facilitates establishment of multiple employer plans ("MEPS" or "pooled plans") that could be offered by associations or retirement plan vendors beginning in 2021, to allow unrelated employers to participate in a "single" retirement plan.
 - Significantly increases penalties for plan sponsor's failure to file certain forms and notices. For example, increases the Form 550 penalties from \$25 to \$250 per day.
- ## Changes only applicable to 401(k) plans:
- Allows penalty-free withdrawals of up to \$5,000 for adoption or child-birth-related expenses.
 - Requires employers to allow long-term part-time employees to participate if they have completed at least 500 hours of service per year for three consecutive 12-month periods, although this group can be excluded from the plan's nondiscrimination and coverage testing. This new requirement is effective for plan years beginning after December 31, 2020.
 - Makes changes to the Safe Harbor 401(k) rules, including increasing the cap on defined contribution plan auto-escalation provisions from 10% to 15% of eligible compensation.

FEATURE ARTICLE

Continued from front

What factors should I consider when evaluating Medicare plans?

When determining which options are best for you, it is a good idea to first narrow things down to the type of plan you want: “Original Medicare”; “Original Medicare” plus Part D; Medicare Advantage with Prescription Drugs; or a Medicare Supplement Plan. Then if you are choosing Medicare Advantage or a Medicare Supplement Plan, look at the various options available in your area, keeping in mind that plans vary by county. Four important things to consider are:

- Are the doctors you see part of the Medicare plan you are considering?
- Are your medications covered by the plan’s formulary?
- What is your budget?
- For Medicare Advantage, how broad are the lists of approved providers?

The Medicare Advantage plans really do offer some serious advantages

In Southern California (i.e. Los Angeles, Orange, Riverside and San Bernardino Counties), Chantal finds that the Medicare Advantage with Prescription Drug Plans are the ones that make the most sense for most residents. Here’s why. In our area (*please note that this list of advantages **only** applies to plans available in the Southern California area, and the benefits of plans available in other areas may differ*), many or most Medicare Advantage plans:

- Have zero monthly premiums.
- Have zero out-of-pocket costs for doctor visits (including specialists).
- Have zero out-of-pocket costs for unlimited days in the hospital.
- Have zero to low out-of-pocket costs for lab services.
- Have large networks of doctors, specialists and hospitals, including UCLA, UCI, St. Jude’s and many other top-rated facilities.
- Have large formularies of approved drugs, to help keep prescription drug costs down.
- Offer rich benefits that go above and beyond what is available through

Original Medicare. This can include vision care, reduced price hearing aids, basic routine dental care, podiatry, chiropractic, transportation to medical appointments, and more. As Chantal points out, in Southern California many people find that the Medicare Advantage with Prescription Drug Plans offer more benefits at much lower cost than what they had received from their employer-sponsored healthcare insurance. Action item: Chantal and her team are available to come to your facility at absolutely no cost to give a 30- to 45-min-

ute presentation to a group of your employees and/or sit down one-on-one with individual employees who are age 60 and up. This individualized assistance is really the best way to go, and it is included with your PIASC membership. To get this on the calendar, contact Chantal directly at BlashMedicare@gmail.com or 909-782-5514. Presentations can be made in English, Spanish, Vietnamese, Tagalog, German or other languages.

DON’T FORGET TO SUBMIT!

CALL FOR ENTRIES
PIASC LOCAL PRINT COMPETITION



Deadline:
Friday, February 28th
4:00 pm

www.piasc.org/printexcellence

CONTACT US

Address:
5800 S. Eastern Avenue, Suite 400
Los Angeles, CA 90040
P.O. Box 910936
Los Angeles, CA 90091
Phone: 323.728.9500
www.piasc.org

Key Contacts
Lou Caron, President
Ext. 274, lou@piasc.org
Dennis Bernstein, Commercial Insurance
Ext. 222, dennis@piascins.com
Evie Bañaga, Employee Benefits
Ext. 224, evie@piasc.org
Kristy Villanueva, Member Services
Ext. 215, kristy@piasc.org
Rodney Bolton, Human Resources
Ext. 218, rodney@piasc.org

Upcoming Events



WEBINAR: Making Your Prices Stick... Without Getting Stuck
February 11, 2020

Are you pricing your goods and services to capture your fair share of the market while still achieving profitability? Your Personal Business Trainer’s Vince DiCecco explores this question and reveals ways to set and defend the prices you must charge to grow and succeed. If you’ve lost sales to competitors who undercut your price and are tired of customers beating you up over a few lousy bucks, this lively and idea-filled webinar will dissect and explore what you can do to sell at prices higher than your competition, and uphold your professional image at the same time. **Main learning points include:**

- Dissecting why each one of the four most commonly used price-setting strategies alone don’t work
- Exploring revenue, overhead, price-setting and profitability issues, including the break-even formula as a “what if?” tool

- Learning what to do when customers say that they can get the same product down the block cheaper and effectively get your asking price consistently
 - Strategies for avoiding and handling various price pressure tactics
- This webinar is a must for all business owners and sales professionals and managers.



WEBINAR: Can Credit Card Processing Fees be Reduced?
February 18, 2020

In this webinar we dive into the rising cost of payment processing and the tools available to reduce the fees your business pays. Let’s take a closer look at interchange rates, the growing use of reward/cashback cards and the options merchants can utilize to reduce their costs through direct bank transfers, interchange optimization, and how Zero Cost Credit is saving merchants money.



WEBINAR: What’s the Difference Between an Independent Contractor and an Employee?
March 3, 2020

Although your business might have independent contractors and employees performing the same or similar work, there are vitally important legal differences between the two. To avoid exposing your company to the possibility of significant fines and costly lawsuits, it is critical that you know when to classify a worker as an independent contractor and when to classify a worker as an employee. Unfortunately, the “independent contractor vs. worker” question can be quite complicated. Join us at this webinar to learn how to determine if a worker is an independent contractor or an employee, and how this designation impacts everything from tax withholding to the application of employment and labor laws.

PIASC Events Calendar

FEB 4	WEBINAR: Performance Management: Linking Strategy with Results Online 11:00 am - 12:00 pm Contact: Maribel Campos, Ext. 210, maribel@piasc.org
FEB 11	WEBINAR: Making Your Prices Stick... Without Getting Stuck 2:00 pm - 3:00 pm Online Contact: Maribel Campos, Ext. 210, maribel@piasc.org
FEB 18	WEBINAR: Can Credit Card Processing Fees be Reduced? 11:00 am - 12:00 pm Online Contact: Maribel Campos, Ext. 210, maribel@piasc.org

FEB 25	WEBINAR: E-Commerce and Customer Engagement for B2B and B2C Online 11:00 am - 12:00 pm Contact: Maribel Campos, Ext. 210, maribel@piasc.org
FEB 28	2020 Print Excellence Awards: Submission Deadline www.piasc.org/printexcellence/ Contact: Maribel Campos, Ext. 210, maribel@piasc.org
MAR 3	WEBINAR: What’s the Difference Between an Independent Contractor and an Employee? 11:00 am - 12:00 pm Online Contact: Maribel Campos, Ext. 210, maribel@piasc.org

For full list of workshops and virtual classes, please visit www.piasc.org/events