**Disability**

**Disability Benefits Paid to a Plan Participant's Former Spouse Taxable Income**

The IRS recently found that disability retirement benefits paid to a state employee's former spouse pursuant to a domestic relations order were fully taxable because the code and regulations provide that only disability benefits paid to employees and their survivors may be excluded from income. State regulations had recently been amended to provide that payments made to an alternate payee pursuant to a domestic relations order were taxable to that alternate payee to the same extent as they would be taxable to the participant-employee. The IRS found that the benefits were paid as a result of the participant employee's work-related disability or sickness, rather than the work-related disability or sickness of a former spouse. Because the IRC and regulations exclude only amounts paid based upon work-related disability or sickness of participants and their survivors, and do not contain a similar exclusion for former spouses, the IRS required the former spouse to include the entire amount of the benefits received in income.  Subscribe to Read More

**Health Care**

**IRS Q&A Helps Employers Reporting Offers of Health Coverage**

The IRS recently created a Q&A page designed to assist employers in reporting offers of health coverage to the IRS, and in providing required notification to full-time employees. Under the Affordable Care Act, applicable large employers (generally those with 50 or more full-time employees) are required to report offers of health coverage to the IRS beginning in 2016 for coverage offered in 2015. The 2015 information must be reported by filing Form 1094-C and Form 1095-C with the IRS on or before February 28, 2016, and will be used in order to administer the ACA employer shared responsibility provisions. Subscribe to Read More

**Health Care**

**Health Expenses Set to Increase for High Income Medicare Beneficiaries**

The Medicare Access and CHIP Reauthorization Act of 2015 (informally known as the "doc fix law") includes a provision that will modify the scale for determining the various levels of income-based surcharges that higher income Medicare recipients must pay. Medicare income-based surcharges are determined based on a sliding scale that uses the recipient's adjusted gross income to determine his or her liability for Medicare premium costs. Five tiers of income levels currently exist, and the amount of an individual's income-based surcharge is determined based upon the tier in which his or her income fell two years prior to the year in which the premium applies. .  Subscribe to Read More

|  |
| --- |
| **FEATURED ARTICLE** |
| |  | | --- | | **New Retirement Spending Account a Viable Retirement Savings Vehicle**  A new product has emerged on the marketplace for clients looking for alternative solutions to the retirement income puzzle—a retirement spending account. The product combines aspects of both a traditional retirement savings vehicle and an annuity, seeking to solve the ever-present problem of how to ensure that a client will not outlive his or her retirement savings. . However, there are potential pitfalls that clients need to be made aware of—and as this could be the next big retirement income planning trend, it's essential that advisors stay ahead of the curve.  Subscribe to Read More | |