

It Benefits You Your Employee Benefits Newsletter

MAY 2020

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We Stand United With You

At McGriff, our approach is simple: we strive to understand your specific needs and execute solutions with precision. It is not just our goal to partner with you in your employee benefits and broker services, but to become part of your team as a trusted advisor. Two months ago we couldn't imagine most people working from home, utilizing WebEx to communicate versus meeting in person, and partaking in meals via video conference, all while managing a family, being a home-school teacher or supporting a teammate or partner with a toddler on your lap. And yet, here we are.

We want to be a united front with you during these unique challenges. You are most likely facing hardship during this time relating to financial concerns, employee engagement and communication, continued benefits, HR advisory, compliance or something more intricate. No matter your business goals or current needs, it is our honor to work with you. Thank you for your loyalty during this unique time in history!



Julie George
McGriff Client Experience Officer

Bracing for Impacts

We hear the same information almost daily on how we can help protect ourselves and others from the spread of COVID-19. We wash our hands frequently, minimize our contact with others, and even wipe down our grocery bags. But what are some longer term, impactful strategies to improve our mental and physical resiliency?

As COVID-19 churns its way around the nation, we continue to see, in general, a correlation between physical health and outcomes. While we can't control risk factors such as age and genetics, we can improve others, such as obesity, diabetes, and hypertension. As we adjust to the new normal, we also want to ensure that we aren't turning toward wine, takeout food, and couch time as our only sources of comfort. In this article, we discuss how to best promote mental, physical, and emotional resiliency to help weather the storm and reduce our lifestyle risk. [Click here](#) to read "Bracing for Impacts" by Katie O'Neill, McGriff Clinical Wellness Practice Leader.



For your convenience, we have created a page on our website where we will share advisories and other COVID-19 resources from our various subject matter experts. Visit [McGriffInsurance.com](https://www.mcgriffinsurance.com) and click the COVID-19 banner.

HR Strategy: Planning for the Return to Normal

UNPRECEDENTED. CRISIS MODE. LAYOFFS. FURLOUGHES. BUSINESS CONTINUITY.

We are living in an unusual business cycle. One that affects not only how our company operates, but how we go about our personal business in our everyday lives. People are stressed, worried and frustrated. Because we don't have a firm end date, we all feel off-kilter and are looking for direction. We may not believe it, but this will pass.

One of the best ways to give your work direction (and to stem that anxious feeling that you're just treading water) is to start looking at your HR strategy for the remainder of the year. That great strategic plan you had in the fall of 2019 has been dealt a serious blow. It's time to re-evaluate and re-align your strategic focus and goals to address the business challenges of 2020.

Considerations:

- What will your business look like once the crisis has abated?
- Will your products and services be in extreme demand – or will there be a gradual return to pre-COVID-19 production?
- Within that vision, what will your staffing needs be?
- Will your organization immediately bring everyone back to work? Or will there be a time of “right-sizing” in order to strategically align staff numbers to the new business model?
- Are you prepared for the reality that some – perhaps many – of your needed/skilled workers may not desire to return to work at your company?

All of these considerations are important and as an internal business partner, Human Resources can and should be leading these conversations now rather than waiting until the world rights itself and starts the journey forward to a new business reality.

Once some of these questions have been answered, it will be time to start focusing on the future and preparing. Having plans in place to address the concerns will alleviate some of the stress that will naturally occur once businesses gear up and begin to go back to work.

Here is just a sampling of some things to start planning NOW:

1. Working remotely may have not been encouraged in the past, but it's quickly become a reality during the pandemic.
2. Look at what worked well and what didn't and be prepared for employees to ask for continued WFH (work from home) solutions once the crisis is over.
3. Be prepared for an onslaught of vacation requests – it may technically be a short summer because of travel restrictions for the traditional vacation months. Have a plan in place to address business continuity while still allowing employees the respite they will probably need.
4. If you had to furlough or lay off workers, think ahead to your staffing concerns if employees choose not to return.
5. Put a plan together for a gradual return to normal. Day one of the return will not be business as usual. What will that look like?
6. How will you say thank you? Plan now. Work may be extra intensive once restrictions are removed. How will you incentivize and reward employees for putting in the extra effort once they return to the workplace?

There are probably (at least) several hundred employee-related considerations that will need attention as we move further into the year. The imperatives now are: **FOCUS – EVALUATE – ALIGN STRATEGIES – SET GOALS.**

Make your plans – plan your goals – and work toward achievement. It will make today's confusing world seem a little less scary. And that is definitely a good thing.

Janie Warner, SHRM-SCP

McGriff National HR Practice Leader



Retirement Relief Provisions of the Coronavirus Aid, Relief and Economic Security Act

On March 27, President Trump signed into law the Coronavirus Aid, Relief and Economic Security (CARES) Act, the \$2 trillion stimulus package that contains several provisions providing relief to single-employer defined benefit pension plans and defined contribution retirement plans, and sponsors of those plans. This article outlines some of the law's main relief items.

DEFINED BENEFIT PENSION PLANS

Funding obligations: All single-employer funding obligations (including both current quarterly requirements and residual contributions from the prior year) due in 2020 are not required until Jan. 1, 2021. The amount due will be adjusted with interest from the original contribution due date using the plan's effective rate for the year. Note that the relief is with respect to the funding requirements of Section 430 of the Internal Revenue Code. Therefore, plans not subject to those requirements, such as governmental plans and certain church plans, are not subject to this provision.

Benefit restrictions: A plan sponsor may elect to apply the plan's adjusted funding target attainment percentage (AFTAP) for the last plan year ending before Jan. 1, 2020, as the AFTAP for the plan year that includes calendar year 2020 in order to avoid benefit restrictions under Section 436 of the Internal Revenue Code. For certain underfunded plans, these restrictions can include curtailment of certain lump sum payments, prohibition of plan amendments, and elimination of benefit accruals. Plans that are not subject to Section 436 of the Internal Revenue Code, such as governmental plans and certain church plans, are not subject to this provision.

Document restatement extension: While not part of the CARES Act, the IRS has extended the April 30, 2020 deadline for employers to update and adopt defined benefit plan documents that use the volume-submitter format. The revised deadline is July 31, 2020.

Items Related to the Pension Benefit Guaranty Corporation

(PBGC): The CARES Act does not offer any modification to insurance premiums under the PBGC program, either in amount or timing.

CERTAIN PLAN DISTRIBUTION AND LOAN MODIFICATIONS

Required Minimum Distributions (RMDs): The CARES Act temporarily waives all RMDs for 2020 for all types of defined contribution plans (including 401(k), 403(b), and governmental 457(b) plans) and IRAs. This includes RMDs due in 2020 but attributable to 2019 (those with a required beginning date of April 1, 2020, because they turned 70½ in 2019). (Note, there is no waiver in the legislation for RMDs from a defined benefit plan.)

Tax relief on distributions: For "Coronavirus-related distributions" taken during calendar year 2020, there is tax relief on distributions including exemptions from the 20% withholding requirement, up to applicable limits and from the 10% early withdrawal tax penalty. An employee must self-certify that they qualify for a "Coronavirus-related distribution".

Loan Limitations: The maximum loan limit for "qualified individuals" is increased to the lesser of (1) \$100,000 (up from \$50,000); or (2) the greater of \$10,000 or 100% (up from 50%) of the value of the participant's benefit, applicable to plan loans made during the 180-day period beginning March 27, 2020.

Loan Repayments: Participants with outstanding loans from a qualified plan and for payments due before Dec. 31, 2020, the payments are delayed, with interest, for one year.

GENERAL

The CARES Act allows the Department of Labor to postpone certain employer reporting and disclosure deadlines under the Employee Retirement Income Security Act, for a defined period in the case of a public health emergency. As of the time of this writing, April 1, 2020, no filing deadlines have been postponed.

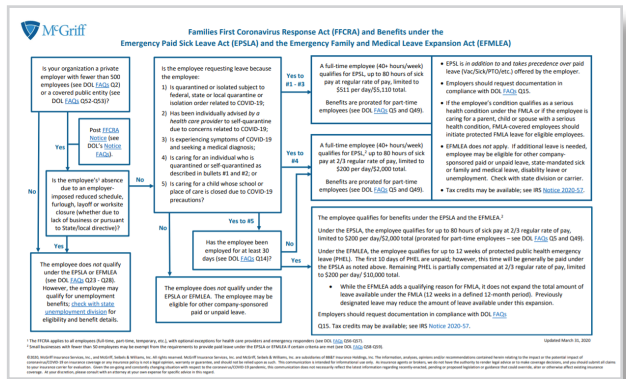
Note that it is necessary to articulate the relief provisions of which the employer is availing themselves into the formal plan document for them to be effective. The deadline for adopting those plan amendments for private employer plans is no earlier than the last day of the first plan year beginning on or after Jan. 1, 2022.

Eddie L. Vaughn, FSA, MAAA, EA
McGriff National Retirement Practice Leader



FFCRA Webinar and Flowchart

On March 18, President Trump signed the Families First Coronavirus Response Act (FFCRA) into law (effective April 1, 2020). This act covers a number of things, including a requirement to provide two weeks of paid sick leave (EPSLA) and an expansion of the Family Medical Leave Act (EFMLEA) to cover child care needs, with a paid leave requirement for this new qualifying event. Join us for a recorded webinar on "Families First Coronavirus Response Act (FFCRA) - What Employers Need to Know", where we discuss what these unprecedented changes mean for your business and your employees! [Click here](#) to listen and use password: 8KijKMi6



Are you confused about how the elements of EPSLA and EFMLEA work together? [Click here](#) for our helpful flowchart!

Coronavirus Vaccination Efforts

COVID-19 has triggered a pandemic with unprecedented challenges for global public health and the healthcare industry. Unfortunately, there are currently no FDA-approved drug treatments or vaccines available. New vaccine development typically takes 5-7 years, however the FDA is allowing a “fast track” process to speed testing. Each potential treatment or vaccine must adhere to strict safety standards and testing, and a vaccine is not expected to be approved for 12–18 months.

While this is a disheartening situation, it has opened many opportunities for collaboration across medical, pharmaceutical (Pharma) and employer health organizations.

Researchers are working with unprecedented speed and focus to develop an effective treatment. They are sharing intelligence, technology and resources with manufacturers and researchers across the globe. The nonprofit Coalition for Epidemic Preparedness Innovations has coordinated funding support through organizations like The Gates Foundation. The COVID-19 Therapeutics Accelerator initiative was born through their collaboration. Many Pharma manufacturers have shared their proprietary molecular compounds with the organization in support of efforts review current drugs with potential to treat COVID-19.

Moderna Inc., in partnership with Vaccine Research Center, was the first manufacturer to gain approval for a vaccine to test in a human trial. They gained approval in just 42 days through cooperation with the National Institutes of Health and the Coalition for Epidemic Preparedness Innovations. On March 16, 2020 the new vaccine was administered to a healthy, 43-year-old female volunteer at Kaiser Permanente Washington Research Institute in Seattle. China also shared their development of a vaccine for SARS-CoV-2 (the virus that causes COVID-19).

With such an outpouring of financial support and collaboration, there is great hope that effective treatments and vaccines will be approved within the next year.

[Click here](#) to read more about vaccination guidelines, efforts and ways to potentially boost your immune system.

Denise Cabrera, Licensed Pharmacist
McGriff National Pharmacy Consulting Practice Leader



Click or Call: ThinkHR Advisors on Standby



Did You Know?

ThinkHR has created a page dedicated to resources related to the COVID-19 pandemic. The ThinkHR Live Advisors are standing by to answer your questions about how to protect your employees while still continuing to operate your business. Sign in to your McGriff Sponsored ThinkHR account today to take advantage of these resources! If you have any difficulty logging in, please reach out to your McGriff Benefits Consultant for assistance.

Get Familiar with Think HR: Join the McGriff Sponsored ThinkHR Demo!

We are excited to bring you ThinkHR — a robust web-based resource with live advisors, reliable content and interactive technology solutions — an end-to-end People Risk Management solution! If you are involved with HR compliance or employee issues at any level, this is another valuable benefit from your trusted McGriff Insurance team that can save you time and money.

Join us on May 12, 2020 at 2:00 p.m. EDT for a brief overview of ThinkHR and its benefits available to you as a client of McGriff. [Click here](#) to register!

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