



LISA SANDOVAL  
INSURANCE SERVICES

## Monthly Newsletter

by Lisa Sandoval Insurance Services

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### Affordability Percentages Will Increase for 2021

The IRS recently issued [Revenue Procedure 2020-36](#) to index the contribution percentages in 2021 for determining affordability of an employer's plan under the Affordable Care Act (ACA).

For plan years beginning in 2021, employer-sponsored coverage will be considered affordable if the employee's required contribution for self-only coverage does not exceed:

- 9.83% of the employee's household income for the year, for purposes of both the pay or play rules and premium tax credit eligibility; and
- 8.27% of the employee's household income for the year, for purposes of an individual mandate exemption (adjusted under [separate guidance](#)). Although this penalty was reduced to zero in 2019, some individuals may need to claim an exemption for other purposes.



The updated affordability percentages are effective for taxable years and plan years beginning Jan. 1, 2021. This is a slight increase from the affordability contribution percentages for 2020. As a result, some employers may have additional flexibility in setting their employee contributions for 2021 to meet the adjusted percentage.

### Remote Verification of Form I-9 Documents

## Extended to Aug. 19

The U.S. Department of Homeland Security (DHS) has [announced](#) that the exemption for the physical inspection of [Form I-9](#) documents has been extended to Aug. 19, 2020. According to the DHS, this will serve as the final extension.



### Physical Inspection

Employers must complete and sign Section 2 of Form I-9 within three business days of the employee's first day of employment. Employers are required to physically examine the documents the employee presents from the list of acceptable documents to prove his or her employment eligibility.

### Remote Verification

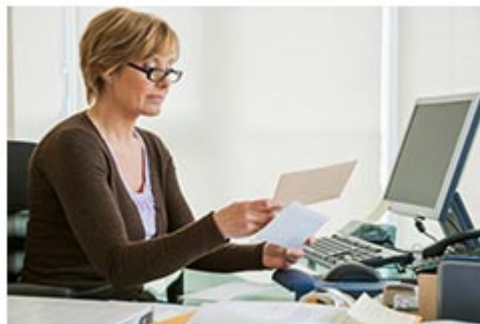
Because of COVID-19, DHS is [allowing](#) employers that are operating remotely to conduct a remote verification of approved I-9 documents. The exemption also applies to new hires affected by quarantine or lockdown protocols. The exemption does not apply to employers that have employees physically present at a work location.

Under the exemption, employers must complete a remote inspection of approved documents within three business days and enter "COVID-19" as the reason for the physical inspection delay. Employers that use this exemption must also keep written documentation of their remote onboarding and telework policy for each employee.

Within three days of when normal operations resume, all employees who were onboarded using remote verification must present their approved documents for a physical inspection. Employers should add "documents physically examined" with the date of inspection to affected I-9 forms.

## Determining Whether a COVID-19 Case Is Work-related

Even as businesses reopen and employees return to their new normal, the risk of becoming exposed to and ill with COVID-19 is still present. When an employee reports they have COVID-19, employers are faced with the difficult task of determining whether the employee's illness is work-related.



As is the case with all inherently legal issues, employers are strongly recommended to seek the guidance of legal counsel when faced with these sorts of situations.

### **OSHA Guidance on Work-relatedness**

An injury or illness is work-related if an event or exposure in the work environment either caused or contributed to the resulting condition or significantly aggravated a preexisting injury or illness. Work-relatedness is presumed for events or exposures in the work environment.

Unfortunately, because the coronavirus is so widespread, determining whether an employee's illness is work-related can be difficult and should be evaluated on a case-by-case basis.

Employers should ask probing questions to reveal the potential exposure of COVID-19 in their workplaces. Employers should consult with legal counsel if they are concerned about what kinds of questions they may ask. After conducting a review, employers will need to record the incident and report it to OSHA.

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