

## Health Coverage for Dependent College Students Extended

On October 9, 2008, President Bush signed Michelle's Law (named after a college student who continued her studies while battling colon cancer, so she could maintain health insurance coverage). This law allows seriously ill college students, who are covered dependents under health plans, to continue coverage for up to one year while on medically necessary leaves of absence. The leave must be medically necessary as certified by a physician, and the change in enrollment must commence while the dependent is suffering from a serious illness or injury and must cause the dependent to lose student status.

The new law applies to health plans governed by ERISA and the Internal Revenue Code, and is effective for plan years beginning on or after October 9, 2009 (calendar year plans must comply beginning January 1, 2010).



## New Bicycle Commuting Fringe Benefit

You probably didn't know, but a new bicycle commuting fringe benefit was added to IRS sec. 132 as part of the emergency economic stabilization legislation that was recently signed.

This new law allows employers to reimburse employees on a tax-free basis for bicycle commuting expenses incurred after December 31, 2008. An employee can be reimbursed up to \$20 times the number of months the employee regularly uses a bike to travel between home and work. Reimbursable expenses include the cost of buying a bike along with bike improvements, repairs, and storage as long as the bike is regularly used to get to and from work. Unlike other qualified transportation fringe benefits, the qualified biking commuting benefit cannot be funded with pre-tax compensation reductions. Reimbursements must be made during the calendar year in which the expenses are incurred or during the first three months following that year.

## Did You Know?

According to a recent Employee Benefit Advisor online survey, 60% of employers are seriously considering instituting a 4-day workweek, 12% are ready to start a pilot program, and 7% have already implemented a 4-day workweek.