

May 29, 2013

## Final Wellness Regulations Released

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This morning Treasury, Labor and Health and Human Services issued final regulations concerning wellness programs. The final regulations will be effective beginning January 1, 2014, and apply to wellness penalties / rewards that apply to the 2014 plan year. The final regulations increase the reward from 20% to 30%, with an additional 20% for programs relating to tobacco cessation.

The final regulations completely re-design the proposed regulations that were issued late last year. The final regulations divide wellness programs into three general categories – participatory wellness programs, activity-only wellness programs and outcome-based wellness programs. The wellness program requirements do not apply to participatory wellness programs (such as fitness club discounts, etc.). However, different rules apply to activity-only and outcome-based wellness programs. As you can imagine, stricter rules apply to outcome-based wellness programs (such as tobacco surcharges and programs that require meeting a certain BMI or cholesterol level). One of the rules requires that plans provide a reasonable alternative standard for both an activity-only program and an outcome-based program. However, the type of reasonable alternative standard as well as the timing differ between activity-only and outcome-based programs.

A pre-read of the final regulations is available at the [following link](#). The official version of the final regulations will be published on Monday, June 3rd.