Health, Accident and Retirement Benefits

Section 4

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Introduction

Welcome to Section 4 of the CPP study group. Section 4—Health, Accident and Retirement Benefits—covers content that exposes the exam candidate to pre-tax and post-tax benefits. A predecessor to being able to calculate tax withholdings, section 4 will help build the foundation to calculating taxable wages. What are the ACA Requirements? What benefits are covered under Section 125? What are the tax implications to different benefit plans? What are the different benefit plans? By the time you are done with this chapter, you should be able to answer those questions.

Throughout this document, you'll be given highlighted content to supplement *The Payroll Source*. While this content will not cover everything you need for the exam, it is a good tool to help facilitate studying. Different icons will point out special items

 Example

 Form to know

 Legislation to know

 Number to know

 Test your knowledge

Topics from Content Outline

- Core Payroll Concepts
  - Employee Benefits
- Principles of Paycheck Calculations
  - Compensation/Benefits
  - Voluntary Deductions (pre- and post-tax)

Knowledge, Skills and Abilities

- Employee Benefits
  - Knowledge of Affordable Care Act requirements
  - Knowledge of impact of taxable benefits
  - Knowledge of impact of non-taxable benefits
  - Knowledge of a qualified plan (e.g. retirement plans, awards, sect 125, moving)
  - Knowledge of a non-qualified plan (e.g. retirement plans, awards, moving)
- Employee/Employer Forms
  - Knowledge of purpose of Forms; W-4S, 1094-B,1095-B, 1094-C, 1095-C
- Regulatory
  - Knowledge of IRS Sec. 125 (components of cafeteria plans)
  - Knowledge of IRS Sec. 129 (components of exclusion and limitations)
  - Knowledge of IRS Sec. 132 (components of exclusion of income)
  - Knowledge of deferred compensation regulations (e.g. 401(k), 403(b), 457)
  - Knowledge of FMLA regulations

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Knowledge of HIPAA regulations
Knowledge of ACA regulations
Knowledge of workers' compensation regulations
Knowledge of COBRA requirements
Knowledge of ERISA requirements
Knowledge of third party sick pay requirements

Record Retention
Knowledge of ERISA requirements

Compensation/Benefits
Knowledge of impact(s) of third party payments (e.g. workers' compensation, third party sick)

Voluntary Deductions (pre and post tax)
Ability to calculate deferred compensation deductions
Ability to calculate Sec. 125 components (cafeteria plan contributions)

Auditing
Knowledge of nondiscrimination testing

Health Insurance

Types of Health Insurance Plans

Traditional – purchased from 3rd party or employer self insured
Health maintenance organization (HMO)- limits members to using HMO doctors and facilities
Preferred provider organization (PPO)- gives participants a choice of in network or out of network doctors and facilities

Affordable Care Act Health Insurance Requirements

Effective for January 1, 2015 and after, ALE's (applicable large employers); are employers who are employing 50 or more full time employees (employed, on average 30 or more hours per week) including FTE (full time equivalent) employees, are subject to the ESR (Employer Shared Responsibility) requirements. Under these requirements IF the employer does not offer

- Affordable health coverage
- That provides a minimum level of coverage to their full time employees (and their dependents

The employer may be subject to an ESR payment, if at least one of its, full time employees is receiving a premium tax credit for purchasing individual coverage on one of the Affordable Health Insurance Exchanges.

The yearly determination for the ALE, is based on the average number of full time or FTE employees in the previous year. (Cannot exclude any employees who qualify for another insurance plan, ie... Medicare, Medicaid, spouse's employer)

IRS regulations provide two methods for determining whether an employee is a full time employee:

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1. Monthly measurement - number of hours of service over successive weeks 120 hours for 4 weeks, or 150 for 5 weeks (depending on the number of weeks in the month)

2. Look-back measurement – employer can determine the future status of an employee based on the hours of service in a prior measurement period (used only for determining and computing liability for an ESR payment)

Regulations also describe approaches to use for different types of workers: Volunteers, educational employees, seasonal employees, adjunct faculty and religious orders.

Hours of service – hours paid for: work, vacation, holiday, illness and other types of leaves.
Hours of service not included: volunteer, Federal Work Study, compensation from sources outside of the US

For 2015 and after and ALE may be liable for an ESR payments if they fail to meet the necessary requirements.

Affordable Coverage: Employers must also be aware that the cost of employer provided coverage should not be more than 9.5% of employees household income

All ALE's must file returns 1094-C with the IRS and 1095-C with the employees. If the employer's coverage is thru a third party, the third party will file 1095-B. Which section of the IRC provides the details? **6056**

The deadlines for filing/providing these forms are the same as used for? **W-2's**

Tax Treatment of Contributions and Benefits

Are employer-paid benefits included or excluded from income tax? **Excluded**

Employee contributions are excluded from income as long as they are made using what section of the IRC? **125**

Consider what happens if employees are given cash in lieu of or to pay for benefits!

Benefits received by an employee under a plan, are excluded from income

To be excluded from employment taxes, employer contributions must be made under a plan that

- Is written or otherwise known to employees
- Is referred to in an employment contract
- Has employees contribute to it
- Employers contribute to a fund that's separate from employer's salary account
- Requires the employers to make contributions

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Effective with the Patient Protection and Affordable Care Act (2010), group health plans must comply with nondiscrimination requirements (other than grandfathered plans).

Under section 125; is same sex spouse's dependent coverage taxable or non taxable ? **Non-taxable**

Employers who file 250 or more W-2's are required to report the cost of employer sponsored health care in what in box of the W-2? **12 with code DD**

Medical Savings Accounts - Known as "Archer MSA"

Created by what legislation? **Health Insurance Portability and Accountability Act of 1996**

Allows employees who are covered by an employer-sponsored high deductible health insurance plan to make tax deductible contributions to an MSA

A high deductible plan is one with an annual deductible of **2,200 to 3,300** for individual coverage and **4,450 to 6,650** for family coverage.

Covered employers must have no more than **50** employees during either of the preceding two years

Contributions to MSA can be made by whom? **Employee or Employer - not Both**

How are employee contributions treated for income? **Deductable from Income when filing personal tax return**

Are employer contributions included or excluded from income? **Excluded**

MSAs cannot be part of a cafeteria plan – it can be used in conjunction with a section 125 high-deductible plan, but the MSA must be established outside of the plan

How are distributions from the MSA taxed? Earnings are not included in income until there is a distribution of those earnings; distributions are excluded from income if they're for medical expenses incurred by the employee or dependents and are included if they're for another purpose

Reporting requirements:

- Employer contributions in Box 12, code R
- Employee contributions in boxes 1, 3, and 5

Long Term Care Insurance

Employer-provided coverage under LTC is excluded from income (with restrictions)

COBRA

Define COBRA:

Provides extended benefit coverage to employees and their beneficiaries

Time period is generally 18 to 36 months depending on the qualifying event

Type of coverage: must be the same as that provided to similarly situated beneficiaries under the health plan for who has not incurred a qualifying event

✎ Qualifying events?

- Death of covered employee
- Termination of employment of covered employee
- Divorce or separation
- Child/dependency changes

✎ The group health plan can require the employee or other qualified beneficiary to pay a premium for the continuation of coverage up to 102% of the group premium paid for similar coverage.

Coverage is not automatic: employees must enroll

FMLA is not a qualifying event, but it may lead to a qualifying event (such as termination due to not returning from a leave)

Health Reimbursement Arrangements

Paid for solely by the employer and not provided under section 125

Reimburses employee for medical expenses and those reimbursements are excluded from income if made to employee or beneficiary

Health Savings Account

Tax-exempt trusts or custodial accounts to pay for qualified medical expenses

Established by individuals who are covered under a high-deductible health plan

💰 Annual Deductibles(Minimum)/Maximum out of pocket:
Self Coverage: $1,300 / $6,450
Family Coverage: $2,600 / $12,900

Employee contributions to an HSA up to the maximum contribution limit or deductible from income

Employer contributions excludable from income and wages for tax withholding if employer reasonably thinks contribution will be deducted from employee's income

💰 Contribution limits

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Self-only coverage: $3,350
Family coverage: $6,650
Catch-up (55 by end of tax year until enrolled in Medicare): $1,000

Medical Accounts Summary

	MSA	HRA	HSA	FSA
	Medical Savings Acct	Health Reimbursement Acct	Health Savings Acct	Medical Flexible Savings Acct
Part of a cafeteria plan?	No	No	Yes	Yes
Small employer only?	Yes	No	No	No
Taxable for Fit?	No	No	No	No
Employee contributions?	Yes	No	Yes	Yes
Employer contributions?	Yes	Yes	Yes	No

Family and Medical Leave Act

Coverage

- Applies to private sector employers with 50 or more employees

- Employees must have worked 1250 hours within the last 12 months and be employed for at least 12 months (not consecutive)

Types of leave guaranteed

- 12 weeks of unpaid leave within 12 months after the birth of a child or the placement of an adopted or foster child

- What happens when both parents/spouses are employed by the employer?

12 weeks of unpaid leave within 12 months to care for a child, spouse, or parent with a "serious health condition"

- Can an employer require an employee to take FMLA leave? YES

Intermittent leaves are allowed

- Can an exempt employee be docked for time taken under FMLA? YES

Providing notice - Employer notify employee of eligibility within five business days after the employee request or the employer acquires knowledge

Health insurance benefits the employee enjoyed before the leave must be continued during the FMLA leave on the same basis.

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Upon return from leave an employee is entitled to what? Their previous job or one that is equivalent

Sick Pay

"Sick leave pay" or "sick days" replaces regular pay when an employee has casual sick days off. Payments made are fully taxable and should have withholding based on normal W-4.

Sick Pay Under a Separate Plan

Wage replacement for when employees are out ill for more than a few days but expect to come back to work at some point in time.

Payments may be made by an employer, an agent of the employer or a third-party insurance company.

Taxability of the payments

- Dependent upon whether or not employee paid premiums towards the plan
- Benefits attributable to employer provided benefits or premiums made by an employee on a pre-tax basis are taxable; premiums paid on an after-tax basis are non-taxable

  📖 An employee receives $2,000.00 per month in disability benefits. The plan is funded 65% by employer contributions and 35% by employee after-tax contributions. Each month, an employee will be taxed on $1,300.00 (2000.00 x 65%).
- Payments are taxable for federal income tax withholding.
- Payments are taxable for social security and Medicare taxes up to six months.

Responsibility for withholding and reporting

Employer's plan is self-insured

- Withholdings are based on Form **W-4**
- Matched social security and Medicare is paid by the **Employer**

Payments made by employer's agent

Cost-plus-fee basis

Payments are treated as though made by the employer

Payments may be treated as supplemental earnings

Payments made by Third Party that is not an agent of the employer

No requirement to withhold federal income tax

- If employee wants tax withheld, employee will file form **W-4S**

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which includes…

- Flat amount or percentage
- Tax must be a minimum of **$20 per week**
- Employee must get **$10 per week** after **Tax** is withheld

Reporting Responsibilities

- Employer makes payments: W-2 reporting is "normal" with nontaxable amounts reported in box 12, code J.
- Employer's agent makes payments: Employer retains responsibility for filing informational returns
- Third party makes payments & does not transfer liability: Third party reports information on 941 and W-2 under its FEIN and name.
- Third party makes payments & does transfer liability: Employer prepares W-2 for employee and reports on 941; Third party prepares "recap" W-2.

Workers' Compensation Insurance

✎ Benefits are included or not included in employee's taxable wages? **Not included**

✎ If an employee receives supplemental sick pay in excess of worker's compensation, is that taxable? **YES**

Cafeteria Plans

A "menu" of benefit options is available to employees.

What section of the IRC governs cafeteria plans? **125**

✎ What are some examples of benefits offered under cafeteria plans?

Accident and health insurance
Dependent care assistance
Qualified adoption assistance
A D & D
LTD, STD
401(k)
HSAs

Plans can be funded by…

- Flex dollars/credits: employee is provided with taxable dollars to use towards the cost of benefits.
- Salary reduction: employees use part of their salary to purchase their benefit selections
- "Menu" selections are determined on an annual basis (usually the 1st of the calendar or fiscal year).

Selections may be pre-tax or post-tax.

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Revocations can be made for status changes: marital status, dependents, employment status, residence change, etc.

Cafeteria plans may not discriminate in favor of highly compensated individuals.

Participation is restricted to employees; spouses and dependents may not participate but they can benefit

Health Care FSAs - Flexible Spending Accounts (FSA)

Medical, Dental, Vision care

Employees elect coverage for funding for a full year. Maximum Contribution per plan year **$2,550**

As employees spend $$ out-of-pocket, they are reimbursed by money contributed to their FSA.

✎ What happens with the "left-overs"? **Use it or Lose it($500.00 can be carried over to next plan year)**

Uniform Coverage Rule: The maximum amount of reimbursement selected by employee must be available all year long.

📖 To date, Bob has contributed $100.00 to his medical FSA for which he signed up for an annual contribution of $2,000.00. He submits a medical claim for $250.00. How much will he receive as reimbursement? **$250.00**

✎ Can employees change or revoke their elections before the end of the plan year? **Only if they have a qualified status change**

Dependent Care FSAs

Uniform coverage rule does not apply

✎ Maximum annual contribution amount: **$5,000**

Tax Treatment

- Taxable for federal withholding? **No**
- Taxable for social security/Medicare? **No**
- Taxable for FUTA? **No**
- Applicable W-2 reporting? **Yes - Box 10**

✎ Tax Treatment

Employer contributions: **Nontaxable**

Pre-tax employee contributions:

- Taxable for federal withholding? **No**

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- Taxable for social security/Medicare? **No**
- Taxable for FUTA? **No**

After-tax employee contributions:

- Taxable for federal withholding? **Yes**
- Taxable for social security/Medicare ? **Yes**
- Taxable for FUTA? **Yes**

If flex dollars exceed benefits purchased, what happens? **It's Taxable**

Retirement and Deferred Compensation Plans

Qualified Pension and Profit-Sharing

What section of the IRC? **401(a)**

Two categories of pension plans:

1. Defined **Contribution** plans
2. Defined **Benefit** plans

The annual compensation limit for 2015 is **$265,000**

The total employee and employer contributions to a qualified defined contribution plan cannot exceed the lesser of 1) **$53,000** or 2) 100% of the employee's compensation for the year.

Tax treatment of qualified pension and profit sharing plans:

- Federal income tax? **Excluded for both Employee and Employer**
- Social security and Medicare? **Included Employee not Employer**
- FUTA taxes? **? Included Employee not Employer**

Cash or Deferred Arrangements (CODA)

What section of the IRC? **401(K)**

Taxable for federal withholding? **Excluded**

Taxable for social security/Medicare? **Included**

Taxable for FUTA? **Included**

CODA Contribution Limits

- Maximum annual elective deferral? **$18,000**
- Limit on all elective deferrals? **$24,000**

- Amount of compensation deferrals based upon? $265,000

Catch-Up Contributions

- Eligibility requirement: 50 years old by the end of the calendar year
- Annual contribution limit: $6,000

Nondiscrimination Testing - plans must be reviewed to ensure that it does not favor highly compensated employees (5% owner or annual compensation greater than $115,000)

401(k) Reporting Requirements – Where are 401(k) values reported on the W-2?

- Elective deferrals in boxes Box 12
- Taxes associated with deferrals in Boxes 3 & 5
- The Retirement checkbox in box 13? Yes

Tax-Sheltered Annuities

Internal Revenue Code 403(b)

Examples of eligible "organizations":

- Public schools
- Tax-exempt charities
- Religious
- Educational

✎ Section 403(b) Contribution Limits

- Maximum annual elective deferral? $18,000
- Limit on all elective deferrals? $24,000
- Amount of compensation deferrals based upon? $265,000

✎ Do "Catch-Up" provisions apply to section 403(b)? YES

✎ Can 403(b) plans discriminate? No

✎ Section 403(b) Tax Treatment

- Taxable for federal withholding? No
- Taxable for social security/Medicare? Yes
- Taxable for FUTA? Yes
- Deferrals reported in box Box 12 Code "E" (Education)

Deferred Compensation for Public Sector and Tax-Exempt Groups

✎ Internal Revenue Code? 457(b)

✎ Can these plans discriminate? Yes

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- Annual contribution limit? **$18,000**
- Catch-up limit **$6,000**
- Taxable for federal withholding? **No**
- Taxable for social security/Medicare? **Yes**
- Taxable for FUTA? **Yes**
- Contributions reported in box 12**, code "G" (Government)**

Employee-Funded Plans

Pension plans funded solely by the employees.

IRC Section 501(c)(18)(d).

Deferral Limit = $7,000 or 25% of compensation; whichever is less.
No tax-withholding requirement, but wages, are reported in box 1 in addition to other boxes on W-2.

Elective Deferrals reported in Box 12 code H of W-2.
Box 13 "Retirement Plan" checked.

Individual Retirement Accounts

- Deductible Amount = **$5,500**
- Catch-up Contribution = **$1,000**

Simplified Employee Pensions (SEP)

- Internal Revenue Code? **408(k)**

For employers that do not have the means to sponsor or administer a qualified pension or profit-sharing plan due to complexities and costs

Employers make contributions to the SEP on behalf of employees aged 21 or older

- Employees aged 21 or older who have worked for at least 3 of the last 5 years and have earned at least $600 in 2015
- Contributions made based on a formula (e.g. percentage of salary) for all employees up to the first $265,000 in compensation for 2015
- Contributions limited to lesser of 25% of comp or $53,000 for 2015

- Maximum deferral amount = **$18,000**
- Catch-up Contribution = **$6,000**
- Tax treatment of employer contributions? **Not subject to FITW, FICA, FUTA**

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- Tax treatment of employee contributions? **Subject to FICA, FUTA**
- Reporting requirements? **Box 12 code "F" and Box 13 checked**

Savings Incentive Match Plans for Employees of Small Employers (SIMPLE)

- Internal Revenue Code? **408(p)**

Faces less burdensome nondiscrimination and administrative requirements; can be an IRA for each employee or part of 401(k)

Can be offered by employers that have no other qualified retirement plan and had no more than 100 employees who received at least $5,000 of compensation from the employer during the preceding year

Requirements

- All eligible employees must be allowed to participate
- Can exclude employees covered by collective bargaining agreement
- Employer must match employee's elective deferral at 100% up to 3% (exceptions for IRA plan)

- Maximum deferral amount = **$12,500**
- Catch-up Contribution = **$3,000**
- Tax treatment of employer matching and non-elective contributions? **Non taxable**
- Tax treatment of employee elective contributions? **Not subject to FITW**
- Reporting requirements? **Employee deferrals – SIMPLE 401K – Box 12 Code "D"**
  Employee deferrals – SIMPLE IRA – Box 12 Code "S"
  Check box 13 Retirement Plan

Nonqualified Deferred Compensation Plans

- Can these plans discriminate? **YES**

Employees are deferring the payment of such earnings until a later date; election of the deferral is made in the year prior to payment.

Deferrals are taxable for social security, Medicare & FUTA at the time of deferral.

Deferrals are taxable for federal withholding at the time of distribution.

- Reporting requirements?

Distributions in box 11
Box 12 code "Y" (optional) amounts deferred to NQDCP under sec 409A
Box 12 code "Z" amounts included in income because NCDCP failed to meet 409A requirements

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Test Your Knowledge

Matching

Retirement plan name	IRC Section
1. Simplified Employee Pensions 408(k)	A. §501(c)(18)(d)
2. Employee-Funded Plans **501(c)(18)(d)**	B. §457(b)
3. Deferred Compensation Plans for Public Sector and Tax-Exempt Groups **457(b)**	C. §408(p)
4. Tax-Sheltered Annuities **403(b)**	D. §401(a)
5. Cash or Deferred Arrangements **401(k)**	E. §408(k)
6. Qualified Pension and Profit Sharing Plans **401(a)**	F. §403(b)
7. SIMPLE Individual Retirement Accounts **408(p)**	G. §401(k)

Multiple Choice

1. An employee who is 47 years old elects to defer 10% of eligible earnings each pay to a 401(k) account. The employee is paid monthly based on an annual salary of $450,000. Assuming the employee has worked for the employer all year and the employee's salary is eligible for 401(k) deferrals, how much 401(k), if any, will be withheld from the employee's May paycheck?
   A. $0.00
   B. $1,500.00
   C. $3,000.00
   D. $3,750.00

2. Which of the following benefits cannot be offered under section 125?
   A. 401(k)
   B. Dependent care assistance
   C. Long term care insurance
   D. Medical insurance

3. An employee is provided $500.00 in "flex credits" each pay to pay for §125 benefits. The employee elects benefits that cost a total of $480.00 each pay. Which of the following tax treatments is appropriate in this situation?
   A. Nothing is taxable under the de minimis rule
   B. Nothing is taxable according to §125 regulations
   C. $20.00 each pay is taxable for social security, Medicare and FUTA taxes only
   D. $20.00 each pay is taxable for income, social security, Medicare and FUTA taxes only

4. An employer provides sick pay benefits that are paid by a third party that is an employer's agent (i.e. no premiums paid). For proper tax withholding from the sick pay, the employee should complete Form:
   A. W-4
   B. W-4P
   C. W-4S
   D. W-5

5. An employee is paid $1000.00 each pay and has the following deductions:
   - 401(k): $30.00
   - Pretax §125 medical insurance: $28.00
   - Dependent care reimbursement account: $100.00
   - Post-tax long term care insurance: $15.00

   Calculate the employee's federal income and FICA taxable wages.
   A. $842.00 FIT and FICA wages
   B. $942.00 FIT and FICA wages
   C. $827.00 FIT wages; $857.00 FICA wages

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D. $842.00 FIT wages; $872.00 FICA wages

6. For the year, an employee elected to have $2,000 withheld for health care reimbursement. The employee separated from the company. Prior to the employee's separation, the employee contributed $1,200 to the plan and received reimbursement for $1,500. Describe the action the employer can take, if any, regarding the extra reimbursement.
   A. No action can be taken
   B. Tax the employee on the $300
   C. Collect $300 from the employee
   D. Recoup the $300 from the employee's 401(k) account, if available

7. For the year, an employee who is paid biweekly elected to have $5,000 withheld for dependent care reimbursement. After contributions from the employee's fourth paycheck of the year had been sent to the claims processor, a claim was filed for $1,000. How much of the claim, if any, can be reimbursed to the employee?
   A. $0.00
   B. $769.24
   C. $961.55
   D. $1,000.00

8. During a calendar year, an employee contributed $4,500 to a dependent care reimbursement account. In addition, the employee also realized $1,000 in other §129 qualified benefits (e.g. backup daycare). Describe the W-2 reporting for these benefits.
   A. $5,000.00 reported in box 10 only
   B. $5,500.00 reported in box 10 only
   C. $4,500.00 reported in box 10; $1,000.00 reported in boxes 3 and 5
   D. $5,000.00 reported in box 10; $500.00 reported in boxes 1, 3, and 5

9. What is the maximum amount of deferrals an employee aged 55 can make under §403(b) plan in 2015?
   A. $16,500
   B. $17,000
   C. $22,000
   D. **$24,000**

10. Using the information below, calculate a 40-year old employee's federal income taxable wages for the September 2015 paycheck:
    - Annual salary: $350,000
    - Pay frequency: Monthly
    - 401(k) election: 7%
    - Dependent care reimbursement: $150.00 per pay
    - Charitable contribution: $50.00 per pay

    A. $26,975.00
    B. $28,300.03
    C. $27,350.03
    D. $28,500.03

Validate Your Progress

Employee Benefits

- ☐ Knowledge of Affordable Care Act Requirements
- ☐ Knowledge of impact of taxable benefits
- ☐ Knowledge of impact of non-taxable benefits

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- ☐ Knowledge of a qualified plan (e.g. retirement plans, awards, sect 125, moving)
- ☐ Knowledge of a non-qualified plan (e.g. retirement plans, awards, moving)

Employee/Employer Forms

- ☐ Knowledge of purpose of Form W-4S

Regulatory

- ☐ Knowledge of IRS Sec. 125 (components of cafeteria plans)
- ☐ Knowledge of IRS Sec. 129 (components of exclusion and limitations)
- ☐ Knowledge of IRS Sec. 132 (components of exclusion of income)
- ☐ Knowledge of deferred compensation regulations (e.g. 401(k), 403(b), 457)
- ☐ Knowledge of FMLA regulations
- ☐ Knowledge of HIPAA regulations
- ☐ Knowledge of workers' compensation regulations
- ☐ Knowledge of COBRA requirements
- ☐ Knowledge of ERISA requirements
- ☐ Knowledge of third party sick pay requirements

Record Retention

- ☐ Knowledge of ERISA requirements

Compensation/Benefits

- ☐ Knowledge of impact(s) of third party payments (e.g. workers' compensation, third party sick)

Voluntary Deductions (pre and post tax)

- ☐ Ability to calculate deferred compensation deductions
- ☐ Ability to calculate Sec. 125 components (cafeteria plan contributions)

Auditing

- ☐ Knowledge of nondiscrimination testing

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