

# WEBINAR TAKEAWAYS: ERISA 101

Wednesday, August 2, 2017

## Employers have specific roles & titles.

### » Plan Sponsor

- » Usually the employer in a single employer plan
- » Establishes, maintains, amends & terminates Health & Welfare plans

### » Fiduciary

- » Employer (usually)
- » Controls plan assets

### » Plan Administrator

- » Plan sponsor (usually)
- » Plan sponsor is administrator by default if no one else is named
- » Legally responsible for ERISA compliance



Staying in compliance will save you a fortune!

## Certain plans are subject to ERISA.

### » Most employer and multiemployer sponsored health & welfare plans

- » Large or small
- » Fully-insured or self-insured

### » Circumstances can cause a plan to transform into an ERISA plan:

- » When the employer pays for coverage or benefits
- » Adding an automatic enrollment feature to the plan
- » Employer takes significant role in publicizing, promoting, or expressing a positive opinion about the plan
- » Material involvement of the employer in design & structure of the plan
- » Providing coverage that would not be available to an individual absent employee status; terminating coverage upon termination of employment
- » Employer answers questions about coverage or assists in claims disputes

## ERISA plans have Reporting & Disclosure requirements.

### » Reporting info to DOL, IRS, PCBG:

- » Form 5500
- » W-2

### » Disclosing info to employees/participants

- » Plan document
- » Summary of material modifications
- » Summary plan description
- » Summary annual report
- » W-2 reporting

## Compliance failures have consequences.

### » Criminal punishment:

- » ERISA fiduciaries are personally liable for damages caused to the plan

### » Civil penalties:

- » Fines (from \$110-\$2,097/day)
- » Being required to change procedures or practices
- » Making a payment to plan member or beneficiary

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Have questions? Contact [admin@compliancedashboard.net](mailto:admin@compliancedashboard.net).

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