



# ERISA Compliance for Small Businesses



Are you a small business offering group benefits or a retirement plan to your employees? If so, you are subject to the laws set forth by ERISA or the Employee Retirement Income Security Act. ERISA is a federal law regulating the administrative aspects of employee benefits and is enforced by the U.S. Department of Labor. Any employer offering health, dental, vision, accidental death & dismemberment, disability and/or life insurance to their employees are subject to ERISA.



Employers should mostly be concerned with Title 1 of ERISA which goes over:

- 1) Reporting and disclosure
- 2) Fiduciary responsibility
- 3) Administration and enforcement
- 4) COBRA and group health plans
- 5) HIPAA (Health Information Portability and Accountability Act)

## Plan Administrator duties include:

- Manage plans for the exclusive benefit of participants and beneficiaries;
- Carry out their duties in a prudent manner and refrain from conflict of interest transactions expressly prohibited by law;
- Comply with limitations on certain plans' investments in employer securities and properties;
- Fund benefits in accordance with the law and plan rules;
- Report and disclose information on the operations and financial condition of plans to the government and participants; and
- Provide documents required in the conduct of investigations to ensure compliance with the law.



It is up to the plan administrator to provide each employee their Summary Plan Description, Special Enrollment notice, certificates of credible coverage, COBRA or Cal-COBRA election forms. ERISA grants the Department of Labor the authority to enforce hefty civil penalties for plan administrators who fail to comply. For example, fines of up to \$1,100 per day can be assessed to plan administrators who fail to comply with annual reporting requirements.

Companies such as TASC can help you eliminate the worries around liability by helping you with the mandatory ERISA requirements and will help you with your annual ERISA & ACA notices, Medicare Part D notices, HIPAA and ACA Employer Reporting and Cafeteria plans.



## Section 125 Cafeteria Plans



A Cafeteria Plan is a benefits program designed to take advantage of Section 125 of the IRS tax code.

A Cafeteria Plan allows employees to pay certain qualified expenses (such as health insurance premiums) on a pre-tax basis, thereby reducing their total taxable income and increasing their spendable/take-home income.

At Solid Health Insurance Services, we are always happy to help your business find the right plans for both your budget and medical needs. We can look over your current benefits package and compare it to the available carriers and plans in your area. We also want to make sure you are ERISA compliant so please do not hesitate to contact us with any questions you may have.

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Solid Health Insurance Services

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