



COMPLIANCE FACTS (ERISA, PPACA & Employment Laws)

Employers are required to:

- Provide a Summary Plan Description (SPD) for each health and welfare benefit plan offered or an SPD Wrap creating an overall SPD for all benefits wrapped in one document with required ERISA language. **Note:** The Summary of Benefits and Coverage (SBC) issued by providers do not meet SPD requirements, and small employers are not exempt.
- Provide required annual notices such as: Medicare Part D, WHCRA, NMHPA, HIPAA, CHIP, Mental Health Parity Act, and more depending on company size and other criteria.
- Provide triggering event notices like COBRA, FMLA, HIPAA Breach, and Medical Child Support Order Notice.
- Comply with healthcare reform changes and deadlines associated with Patient Protection and Affordable Care Act.
- Comply with the many federal and state laws governing employee rights like: FLSA, FMLA, ADA, OSHA, IRCA, EPA, ERISA, USERRA, PPACA, Title VII Civil Rights Act, PDA, GINA and more.

Enforcement and Audits:

- Enforcement and audits from the DOL, IRS and EEOC have significantly increased, with particular focus being placed on smaller organizations (< 100). Enforcers are aggressively seeking compliance and fines to fund PPACA and deficit.
- The DOL's Employee Benefits Services Administration (EBSA) routinely conducts group health benefit plan ERISA audits.
- The Health Benefits Security Project (HBSP) was created under PPACA for additional focus on health plan compliance and on civil and criminal investigations.
- The DOL estimates three out of four plans audited have an ERISA violation, and **70 percent of audit violations result in monetary fines** to the employer.

Penalties:

- Penalties are enforced for failure to comply with ERISA up to **\$100/day penalty** for every employee that is affected.
- Penalties of up to **\$1,000 per day** may be assessed against plan administrators who fail to comply with annual reporting.
- Employers are receiving **penalties – up to a \$17,475** -- for failure to provide an SPD, thinking the certificate of insurance was enough.
- 67% of the time, if an employment lawsuit goes to trial, plaintiffs (employees) are more likely to win.
- Wrongful termination lawsuits have risen 260 % in the past 20 years with the **average cost to settle** an employee lawsuit for the small business owner **of \$326,000, plus attorney fees**. Many fines and lawsuits are over \$1,000,000.

Solution:

- **Compliance Basics** service from HR Service, Inc. provides “What you need to know and do, when it’s needed” to [pass ERISA audits](#), and avoid costly fines and laws suits with monthly legal updates, due date reminders, training bulletins, customized all-in-one Employee Notice Service and triggering event notice templates.
- Upgrade to the **Compliance Basics Plus** to create, store or update your SPD Wraps and other required documents in an easy to use online document management center. Keep documents current and up-to-date.

See sample legal updates, due date reminders and HR Bulletins at these links:
[Legal Updates](#) | [Compliance Calendar](#) | [HR Bulletin](#)

Call toll-free: (855) 447-3375 or Signup online at: www.ERISASolutions.com