

ERISA Cheat Sheet

What Employers Are Covered?

Those that offer “employee benefit plans” to their employees

What’s an “Employee Benefit Plan”?

- *Employee Welfare Benefit Plan:* a plan or fund through which an employer or employee organization provides participants with health care coverage
- *Employee Pension Benefit Plan:* a plan or fund through which an employer or employee organization provides participants with retirement or deferred income

What’s Required?

Certain minimum standards for both types of plans regarding employee and beneficiary participation, funding, administration, benefit accrual, disclosure, survivor benefits and plan termination

Who’s Eligible to Participate in Pension Plans?

In general, employers must allow every employee who is at least 21 years old and has worked for them for at least 1,000 hours over the last 12 months to participate

What Kinds of Pension Plans Are There?

- *Defined benefit plans:* promises a specific monthly benefit upon retirement (or retirement age)
- *Defined contribution:* the employer and/or employee contributes to the plan during employment and the employee receives the balance upon retirement (or retirement age)

What Are the Employer’s Notification Requirements?

- Provide a Summary Plan Description (SPD) to each plan participant
- Provide a summary of the plan’s annual financial information to each participant
- Provide an annual accounting of the benefits earned by each participant
- Provide a copy of the plan upon a participant’s request

What Are the Potential Penalties?

- Outstanding plan benefits
- Civil and criminal fines
- Imprisonment
- Attorneys’ fees

Top ERISA Tips

- Employers are not required to maintain employee benefit plans; however, if they do, such plans must comply with ERISA
- When faced with an employee’s question regarding benefits, always defer to the plan administrator
- Maintain confidentiality of all employee medical information
- Do not discriminate with regard to benefit plans based upon an employee’s membership in a protected class
- Reserve, in writing, the option to amend any plan
- Employers may be required to maintain medical coverage of an individual after separation from employment pursuant to COBRA

