



STERLING
— ADMINISTRATION —

ERISA

What is ERISA?

ERISA, Employee Retirement Income Security Act of 1974, is a Federal law that deals with employee benefit plans. ERISA addresses both Qualified Retirement Plans (e.g., pension and profit sharing plans) and **Welfare Benefit Plans (e.g., group insurance and other fringe benefit plans)**

Who is Subject to ERISA?

All private-sector corporations, partnerships, and proprietorships, including non-profit corporations, must comply with ERISA regardless of size or number of employees. Churches and governmental entities are exempt from ERISA Welfare Benefit Plan provisions.

Why Should an Employer Comply with ERISA?

ERISA compliance is required under Federal law and employers can avoid costly DOL penalties. The penalties are as follows;

- **\$1,156 per employee, per ERISA Summary Plan Description not provided.**
- **\$110 per employee, per day until compliance is met.**

Don't I already have my ERISA Documents with my 401k or Pension Plan?

Yes, you have ERISA documents for a 401k or pension, but ***you do not have ERISA documents for your Welfare Benefits Plans.*** There is a set of ERISA documents that keep you in compliance with ERISA law for the 401k or pension plan and a set for Welfare Benefits Plan, they are separate contracts and one set does not cover both.

What Benefits are Subject to ERISA?

All the benefits available to the employees to participate in, by the employer, are subject to ERISA. This is regardless if the benefits being 100% paid for by the employer, 100% paid by the employee or if there are contribution by both of the parties. An example of benefits that are subject to ERISA are: medical, dental, vision, life insurance, FSA, and more!