

INFOBRIEF



TOPIC: WHEN IS IT TIME TO UPDATE YOUR ERISA AND CAFETERIA PLAN DOCUMENT?

Maintaining current plan documents is an integral part of being ERISA compliant. Two documents to keep an eye on are Wrap Documents and Section 125 Premium Only Plan (POP) documents. Although not all employers have these, those employers who do should keep them current.

A Wrap Document “wraps” around an employer’s insurance policies and coverage certificates, and adds the language necessary to comply with Employee Retirement Income Security Act of 1974 (ERISA) requirements.

A Section 125 Plan Document, or POP Plan Document is a document that allows employers to take certain premium deductions for employees on a pre-tax basis.

If an employer has one, or both of these plan documents, they should be reviewed annually to ensure there have been no changes that would require the document to be updated.

Here is a list of changes to look for that include the following:

Carrier	Funding Arrangement	Plan Sponsor EIN
Collective Bargaining Agreement	Group Control Status	Plan Year
Contributions	HIPAA Privacy/Security Officer	Service Requirements
Definitions	Measurement Periods	State Law
Designated Agent for Service	MEWA or PEO Status	Tax Treatment
Election Procedures	Participating Affiliated Employer	Waiting Period
Eligibility	Plan Fiduciary	Wellness Plan Structure
Employer Leave Practices	Plan Sponsor Contact Information	Wrap Plan Structure

Plan additions or eliminations can also be a trigger for a plan document update. This may include the addition or elimination of a benefit, or a spousal surcharge or exclusion.

Finally, time itself can be a reason to review and update these documents. If the document(s) have not been updated in the last five (5) years, it is time to update them.