

Today's webinar will begin shortly.  
We are waiting for attendees to log on.

Presented by:  
**Tabatha George**  
Phone: (504) 529-3845  
Email: [tgeorge@fisherphillips.com](mailto:tgeorge@fisherphillips.com)

Please remember, employment and benefits law compliance depends on multiple factors – particularly those unique to each employer's circumstances. Numerous laws, regulations, interpretations, administrative rulings, court decisions, and other authorities must be specifically evaluated in applying the topics covered by this webinar. The webinar is intended for general-information purposes only. It is not a comprehensive or all-inclusive explanation of the topics or concepts covered by the webinar.



## **What Employers Need to Know About Offering and Terminating Employee Benefits**

Tabatha George  
Fisher Phillips, LLP  
[tgeorge@fisherphillips.com](mailto:tgeorge@fisherphillips.com)

# 3 Pillars of Benefits Administration

- What have you promised to do?
- What are you required to do?
- What are you prohibited from doing?



# First Thing's First



- If you have a question about offering or terminating a benefit, check the plan document first
- If you can't find the plan document, that's a problem
- Remember when it comes to health insurance, you need to check the health plan document and the cafeteria plan document

# Documentation Requirements

- Plan documents should cover:
  - Who is eligible for the benefits
  - When employees become eligible
  - What benefits are available
  - When employees may add or drop benefits
  - When employee benefits can be terminated
- With respect to health insurance, employers should seek waivers or document when an employee refuses to fill out a waiver

# Handbook v. Plan Documents



# Open Enrollment Materials

- HIPAA Special Enrollment Notice
- Health Plan SPD
- Welfare Plan SPDs
- Health Plan SBC
- CHIPRA Notice
- Exchange Notice
- WHCRA Notice



# New Hire Materials

- Health Plan SPD
- Health Plan SBC
- Retirement Plan SPD
- Welfare Plan SPDs
- Cafeteria Plan SPD
- HIPAA Special Enrollment Rights Notice
- CHIPRA Notice (also to non-benefits eligible employees)
- Exchange Notice
- WHCRA Notice





# COBRA Notices

- **General Notice/Initial Notice**
  - Must be provided within the first 90 days of coverage under the group health plan
- **Election Notice**
  - Must be provided within 14 days after the plan administrator receives the notice of a qualifying event
- **Unavailability of Continuation of Coverage Notice**
  - Must be provided within 14 days after the request for continuation coverage is received
- **Termination Notice**
  - Required if a participant's coverage is terminated early

# Offering Benefits – Retirement Plans

- Generally, employers should follow their plan document with respect to offering retirement benefits
- Problems often occur as the result of administrative errors



# Offering Benefits – Health Plans

- The ACA has changed eligibility for most plans
  - Prepare written Eligibility Provisions
  - Check in with Stop Loss carriers
  - Be careful when employees go out on an extended leave of absence
  - Limit Waiting Periods
- Check the Plan Document
- Don't encourage or discourage Medicare participation
- Be cautious about offering Exchange policy reimbursements
- HIPAA prohibits discrimination based on health status with respect to benefit offers

# Termination of Benefits

- Terminating a benefit plan
- Terminating employee participation in:
  - A retirement plan
  - A health plan
  - A disability plan
  - Other welfare plans



# Termination of Benefits

- Termination most often occurs as the result of:
  - Termination of employment
  - Reduction in hours
  - A change in status
- When terminating a participant:
  - Check the plan document
  - Consider historic practice
  - Be wary of discrimination issues
  - Contact the participant when appropriate
  - Consider consulting an attorney

# Qualified Election Changes

- Changes in 401(k) contributions
- HIPAA special enrollment rights
- COBRA qualifying event
- Judgment, decrees, or orders
- Entitlement to Medicare or Medicaid
- Family Medical Leave Act (FMLA) leave
- Reduction of hours (new under the ACA)
- Exchange/Marketplace enrollment (new under the ACA)



# Qualified Election Changes

- Plans may allow participants to change elections based on the following changes in status:
  - Change in marital status
  - Change in the number of dependents
  - Change in employment status
  - A dependent satisfying or ceasing to satisfy dependent eligibility requirements
  - Change in residence
  - Commencement or termination of adoption proceedings

# Qualified Election Changes

- Plans may also allow participants to change elections based on the following changes that are not a change in status:
  - Significant cost changes
  - Significant curtailment (or reduction) of coverage
  - Addition or improvement of benefit package option
  - Change in coverage of spouse or dependent under another employer plan
  - Loss of certain other health coverage (e.g. Medicaid)



# Thank You



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Email: [tgeorge@fisherphillips.com](mailto:tgeorge@fisherphillips.com)