

Does Your Company Have Required Plan Documentation for Your Benefit Plans?



The federal Employee Retirement Income Security Act (ERISA) mandates that employers/plan administrators provide a Summary Plan Description or SPD to each participant and that ERISA-covered plans be maintained in accordance with a written Plan Document.

Unfortunately, most employers are not in compliance with either the SPD or Plan Document requirements. Why? Many companies mistakenly assume that insurance contracts, certificates of insurance and benefits summaries fulfill the ERISA requirements for an SPD and Plan Document--**but they don't include the required or recommended provisions that protect the plan, the employer and plan fiduciaries.**

Failure to provide these documents can lead to a penalty of up to \$110 per day.

What is an SPD?

The **Summary Plan Description** is an important document that tells participants what the plan provides and how it operates.

If a plan is changed, participants must be informed, either through a revised summary plan description, or in a separate document,

called a summary of material modifications, which also must be given to participants free of charge.

Pricing

Number of Employees	Set-Up Fee	Annual Administration Fee
1 - 99	\$150	\$495.00
 The Alpha Group	Waived	\$450.00

In addition to no set-up charge, our *all inclusive annual fee* includes:

- ✓ Separate Plan Document and Summary Plan Description (wrap document)
- ✓ ERISA and Affordable Care Act Notices at no extra charge
- ✓ Summary of Material Modification
- ✓ Instructions on how to distribute information to employees
- ✓ Email alerts regarding changes to ERISA or IRS requirements that could impact Wrap SPD and Plan Document compliance.
- ✓ Premium Conversion Plan (see next page)

SIGN UP TODAY TO ENSURE YOUR COMPLIANCE!

Contact Sean Nehlsen at 216-642-3833 or ERISA@thealphaga.com

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Premium Conversion Plan

What is a Premium Conversion Plan (Premium Only plan)

A premium conversion plan is the most basic type of section 125 plan and the most popular. A premium conversion plan allows employees to pay their portion of insurance premiums with pretax dollars. Benefits that are typically offered within a premium conversion plan include: health, dental, vision, accidental death and dismemberment, short and long term disability and group-term life insurance on the life of the employee.

What are the advantages to an employer that establishes a Section 125 plan?

The advantages to an employer that establishes a section 125 plan include:

- The employer is able to reduce its tax liability (for example, FICA and FUTA) because employees reduce their taxable income.
- Where an employer offers a full cafeteria plan, the employer may see increased employee satisfaction with employee benefit offerings because employees are provided with an opportunity to direct the employer's contribution to the benefits the employee values most.

What benefits can be offered under a Premium Conversion Plan?

Benefits that are typically offered under a Premium Conversion Plan include:

- Health;
- Dental;
- Vision;
- Accidental death and dismemberment;
- Short- and long-term disability;
- Group term life insurance (up to \$50,000 in coverage);
- Health FSAs (to cover out-of-pocket medical expenses not covered by insurance); and
- Dependent care FSAs.

Pricing:

Set-Up Fee	Annual Administration Fee
Waived	Included with purchase of SPD

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