

Understanding ERISA vs Non-ERISA

What is ERISA?

The Employee Retirement Income Security Act (ERISA) of 1974 is a comprehensive law governing many aspects of employee benefit plans (both health and pension plans) and covers topics including, but not limited to, the following:

- Disclosure and reporting requirements to plan participants
- Disclosure and reporting requirements to the government (i.e., IRS Form-5500)
- Responsibilities of plan fiduciaries
- COBRA
- Group health plan portability, access, and renewability
- Claim practices

What Types of Groups are Generally Subject to ERISA?

- ⇒ For-Profit Entities (i.e., manufacturing companies, day care centers, farming operations, insurance offices, etc.)
- ⇒ Non-Profit Entities, unless affiliated with a church or government entity, are ERISA plans
- ⇒ Partnership plans that cover both partners and employees, such as administrative assistants and other non-partner employees, are considered ERISA plans
- ⇒ Tribes (Employees)

What Types of Groups Are Generally Not Subject to ERISA?

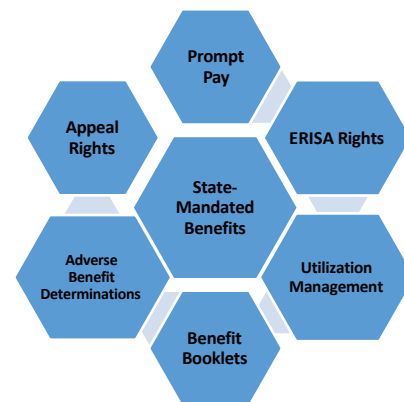
In general, ERISA does not cover the following group health plans:

- ⇒ Religious Entities (i.e., Church accounts for their employees, religious-affiliated schools)
- ⇒ Governmental Entities (i.e., cities, municipalities, counties, states, county hospitals, public school districts/boards of education and other similar tax-supported entities)
- ⇒ Groups which are maintained solely to comply with applicable workers compensation, unemployment, or disability laws
- ⇒ Partnership plans that cover only the partners, such as CPA or Law
- ⇒ Tribes (Members)

Regardless of funding type, all groups are either ERISA or Non-ERISA:

ERISA Fully-Insured
Non-ERISA Fully-Insured
ERISA ASO
Non-ERISA ASO
ERISA MEWA
Non-ERISA MEWA

Why is it important to accurately identify the ERISA status of a group?



ERISA Group Examples



Non-ERISA Group Examples



Helpful Links:

How do I find information about ERISA?

<https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/erisa>

What are the basic fiduciary responsibilities applicable to retirement plans under the law?

<https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/meeting-your-fiduciary-responsibilities.pdf>

What are some target date retirement funds tips for ERISA plan fiduciaries?

<https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/fact-sheets/target-date-retirement-funds.pdf>

ERISA FAQ's:

<https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/faqs>