

Compliance Fines & Penalties (2021)

Depending on the compliance violation the Department of Labor (DOL), Internal Revenue Service (IRS) or Department of Health & Human Services (HHS) may impose fines or penalties. Below are a few possible examples.

Violation	Possible Fine	Department
Failure to provide written requested ERISA plan documents, Summary Plan Descriptions, Summary of material modifications, etc.	\$119 per day up to \$594,129	DOL
Late 5500 Report	\$25 per day up to \$15,000 - IRS \$1,100 per day, no cap - DOL	IRS DOL
Failure to File annual 5500 Report	\$2,259 per day	DOL
Failure to furnish statement of benefits or to maintain records	\$31 per employee	DOL
Failure to notify plan participants of benefit restrictions and/or limitations	\$1,788 per day	DOL
Failure to furnish automatic contribution arrangement notice	\$1,788 per day	DOL
Failure to furnish employee benefit plan documents to DOL upon request	\$161 per day up to \$1,613 per request	DOL
Failure to inform employees of Medicaid/CHIP coverage opportunities	\$120 per day per employee	DOL
GINA violation	\$120 per day per participant	DOL
Failure to provide Summary of Benefits Coverage (SBC)	Up to \$1,190 per failure	DOL
FMLA posting & notice violation	\$176 for each offence	DOL
Allowing premiums to be paid on a pre-tax basis for covered benefits without having either a Premium Only Plan (POP) document or Flexible Spending Account (FSA) document.	Penalty: Employer can lose the ability to allow premiums on a pre-tax basis.	IRS
HIPAA violations	\$119 to \$59,522 per violation up to \$1,785,651.	DOL or HHS
MEWA - failure or refusal to file a complete or accurate Form M-1	\$1,644 a day	DOL
Other - This is only a partial list of possible fines and penalties		

Each of the enforcing organizations, DOL, IRS and HHS, have increased the number of auditors and enforcers. Audits have increased across the county.

We recommend you take steps now to be fully compliant to avoid fines and penalties.

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