

Do You Need a “Wrap” Plan?

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PRACTICE AREAS

Employee Benefits and ERISA

Under ERISA, an employer that provides health and welfare benefits to its employees, such as medical insurance or other types of coverage, is considered to have established an “employee welfare benefit plan”. Such health and welfare benefits plans provided to employees requires the employer to comply with a litany of requirements under ERISA, regardless of the size of the employer, number of employees, or whether the benefits are paid for by the employer or the employee. Often times the insurance agreements or plan summaries are deficient in satisfying the plan document requirements under ERISA.

A wrap document is a drafting device used to supplement already-existing documentation. More specifically, a wrap document provides the information required by ERISA by “wrapping” itself around the insurance policy or underlying welfare program. This provides you a “back-stop” in the event of a plan document failure for an underlying health or welfare program. Furthermore, a wrap plan document can consolidate all of your DOL Form 5500 filing requirements into one filing (are you tired of filing multiple DOL Form 5500 for all of your welfare programs?).

Please give us a call if you are interested in discussing the regulatory protections and easing the filing burdens provided by a wrap plan document.