



Issued date: 02/26/20

The Department of Labor (DOL) published the annual adjustments for 2020 that increase certain penalties applicable to employee benefit plans.

Annual Penalty Adjustments for 2020

The following updated penalties are applicable to health and welfare plans subject to ERISA.

| Description | 2019 Penalty | 2020 Penalty |
|--|--|--|
| Failure to file Form 5500 | Up to \$2,194 per day | Up to \$2,233 per day |
| Failure of a MEWA to file reports | Up to \$1,597 per day | Up to \$1,625 per day |
| Failure to provide CHIP Notice | Up to \$117 per day per employee | Up to \$119 per day per employee |
| Failure to disclose CHIP/Medicare coordination to the State | \$117 per day per violation (per participant/beneficiary) | \$119 per day per violation (per participant/beneficiary) |
| Failure to provide SBCs | Up to \$1,156 per failure | Up to \$1,176 per failure |
| Failure to furnish plan documents (including SPDs/SMMs) | \$156 per day \$1,566 cap per request | \$159 per day \$1,594 cap per request |
| Genetic information failures | \$117 per day (per participant/beneficiary) | \$119 per day (per participant/beneficiary) |
| De minimis failures to meet genetic information requirements | \$2,919 minimum | \$2,970 minimum |
| Failure to meet genetic information requirements – not de minimis failures | \$17,515 minimum | \$17,824 minimum |
| Cap on unintentional failures to meet genetic information requirements | \$583,830 maximum | \$594,129 maximum |

Employer Action

Private employers, including non-profits, should ensure employees receive required notices timely (SBC, CHIP, SPD, etc.) to prevent civil penalty assessments. In addition, employers should ensure Form 5500s are properly and timely filed, if applicable. Finally, employers facing document requests from EBSA should ensure documents are provided timely, as requested.