

LAW & POLICY GROUP

GRIST



DOL sets 2020 penalties for health and group benefit plan violations

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Employers violating Department of Labor (DOL) regulations — including employee benefit, wage and hour, mine safety, occupational safety and health, and workers' compensation rules — could face stiffer penalties in 2020, thanks to new inflation adjustments. The higher rates apply for penalties assessed after Jan. 15, 2020, for violations occurring after Nov. 2, 2015. DOL rarely assesses the maximum and often waives penalties entirely for failures due to reasonable cause. But the penalty threat is an important enforcement and deterrent tool.

2020 adjustments for health and group benefits. The inflation increase for 2020 is 1.764%. The following chart shows the current maximum (and in some cases, minimum) penalties for certain health and welfare plan violations and the new amount that will take effect for penalties assessed after Jan. 15, 2020.

Type of health or group benefit plan failure	Maximum penalty (unless otherwise indicated)	
	2020 (after Jan. 15)	2019 (after Jan. 23)
Failure to file Form 5500	\$2,233/day late	\$2,194/day late
Failure to file a multiple employer welfare arrangement (MEWA) annual report (Form M-1)	\$1,625/day late	\$1,597/day late
Failure to provide plan documents to DOL within 30 days after request	\$159/day late (not to exceed \$1,594/request)	\$156/day late (not to exceed \$1,566/request)
Failure to inform employees of Children's Health Insurance Program (CHIP) coverage opportunities (each employee is a separate violation)	\$119/day late	\$117/day late

Type of health or group benefit plan failure	Maximum penalty (unless otherwise indicated)	
	2020 (after Jan. 15)	2019 (after Jan. 23)
Failure to timely provide to any state information about coverage coordination with Medicaid or CHIP (each participant or beneficiary is a separate violation)	\$119/day late	\$117/day late
Failure to meet genetic information restrictions (on discriminating in eligibility, coverage or premiums; requesting or requiring genetic tests; collecting genetic information; etc.)	\$119/day of noncompliance	\$117/day of noncompliance
<ul style="list-style-type: none"> Minimum penalty for de minimis failure not corrected before notice from DOL 	\$2,970	\$2,919
<ul style="list-style-type: none"> Minimum penalty for non-de minimis failure not corrected before notice from DOL 	\$17,824	\$17,515
<ul style="list-style-type: none"> Cap on penalties for unintentional failures 	\$594,129	\$583,830
Failure to provide summary of benefits and coverage (SBC) with uniform glossary	\$1,176 per failure	\$1,156 per failure

Related resources

Non-Mercer resources

- [DOL Federal Civil Penalties Inflation Adjustment Act Annual Adjustments for 2020](#) (Federal Register, Jan. 15, 2020)

Mercer Law & Policy resources

- [HHS adjusts 2020 HIPAA, other civil monetary penalties](#) (Jan. 23, 2020)
- [DOL adjusts 2019 penalties for health and group benefit plan violations](#) (Feb. 13, 2019)

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