

Weekly Digest

• July 10, 2024 •



EMPLOYEE
BENEFITS

Final Regulations Under the ACA Section 1557 Nondiscrimination Rules: Highlights for Group Health Plans

"While a plan administered by a covered TPA is not subject to the rules by extension, the preamble devotes some discussion to liability for discriminatory plan design that may lead to changes in the way self-funded plans and TPAs currently operate and document responsibility for plan design decisions." [Full Article](#)

Spencer Fane



Can We Pay a Deceased Employee's Unused HRA Balance to the Employee's Surviving Spouse?

"No. HRAs may only reimburse medical care expenses as defined in Code § 213(d). A cash payment after an employee's death or at any other time would disqualify your company's HRA for all participants and make all reimbursements paid from the HRA taxable—even reimbursements for qualifying medical expenses." [Full Article](#)

Thomson Reuters / EBIA

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DOL Settlements Remind Employers to Avoid Collecting Premiums Until Evidence of Insurability is Approved

"To avoid potentially having to pay a life insurance claim out of its own pocket, the employer should have a process in place to ensure that it does not collect premiums from employees until coverage has been approved by the insurer, including approval of any EOI. Consistent with what is suggested in the terms of the settlement agreements, a number of courts have held that an employer breaches its fiduciary duty under ERISA if it collects premiums for life insurance coverage that is not in effect." [Full Article](#)

Stinson LLP



Court Allows Class Action Challenging Wellness Program Incentives to Continue

"The employees argued that the increased premium was a significant penalty that coerced employees into participating in the screening, rendering the program involuntary. The employer argued that the increase represented the original costs of the premium and that employees choosing to undergo the screening merely received a discount. The court explained that the ADA does not include a definition of the term "voluntary" and that whether a program is voluntary is a question of fact." [Full Article](#)

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DOL Finalizes Rescission of Association Health Plan Rule

"Essentially, bona fide associations will only be able to take the position they are acting as an "ERISA employer" if they can support doing so under the guidance issued by the DOL (primarily in advisory opinions) prior to the Trump DOL Rule. The earlier DOL guidance is intensely fact-specific and only allows associations to be treated as an "employer" under limited conditions for purposes of sponsoring a single health plan (albeit a "multiple employer welfare arrangement" or "MEWA") that covers its employer members." [Full Article](#)

Groom Law Group



IRS Issues FAQs on Educational Assistance Programs

"The FAQs include nine questions and answers about EAPs, including the requirements for an EAP, what qualifies as educational assistance, and the amount excludable from taxation under an EAP." [Full Article](#)

Littler Mendelson P.C.