

DOL Issues Final Rules on Multiple Employer Welfare Arrangements

March 14, 2013

The U.S. Department of Labor (DOL) recently released final rules intended to curb abuses of some multiple employer welfare arrangements (MEWAs) by imposing additional reporting requirements on MEWAs and by enhancing DOL's enforcement authority. Under the final rules, all MEWAs that provide medical benefits, even if not a group health plan, must electronically file a Form M-1 annually, which now requires more extensive financial information than the prior version. Additionally, all employee welfare plans that file a Form M-1 must also file a Form 5500, even if the plan would otherwise be exempt, to demonstrate the plan's compliance with the Form M-1 filing requirement. Failure to answer the Form M-1 compliance question will cause the Form 5500 to be rejected as incomplete, which may subject the filer to civil penalties. The deadline for filing this year's Form M-1 has been extended to May 1, 2013. The final rules also enhance DOL's enforcement authority by granting the Secretary of Labor the authority to issue cease and desist orders, without prior notice or hearing, when, for example, the MEWA's conduct appears to be fraudulent, as well as the authority to seize a MEWA's assets when there is probable cause to believe the MEWA is in a financially hazardous condition. The final rules can be found [here](#), [here](#), [here](#), and [here](#). A fact sheet of the final rules can be found [here](#). The online version of Form M-1 can be found [here](#).