It's January! Time for Welfare Plan Governance Resolutions!

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In our last update, we covered recommendations with respect to retirement plan committee practices and procedures for the coming year (here). However, plan sponsors should also consider a few corollary resolutions for health and welfare plans in 2026.

Resolution #1: Make sure health and welfare plan documentation and delegation is current, accurate, and understood.

Plan sponsors should review documentation that describes who has authority to administer the health and welfare plans and what decisions are delegated to vendors versus retained by the sponsor. Start with the plan document(s) (including any wrap plan document), insurance contracts, SPD(s), and any administrative services agreements. Sponsors should confirm that these documents align with actual operations, especially where claims, appeals, eligibility, enrollment, and COBRA are handled by third parties, and that the documents clearly address and are consistent on key governance points, including, without limitation, who is the ERISA plan administrator and named fiduciary (if applicable).

Establishing a formal health and welfare committee helps bring structure and consistency to decisions that may otherwise pose significant legal and operational risk, such as claims appeals, plan interpretation, discretionary determinations, and vendor oversight, and can help demonstrate that fiduciary decisions are consistent, and actively managed through a structured process.

Once the appropriate parties or committee members are identified, they should receive both ERISA fiduciary training and confidentiality training if privy to any protected health information or individual claims data.

Resolution #2: Set a proactive annual calendar for welfare plan governance and vendor oversight.

Unlike retirement plans, welfare plan issues such as enrollment changes, eligibility disputes, claims escalations, leave/COBRA coordination, and vendor issues tend to arise intermittently rather than at pre-scheduled times throughout the year. A strong annual cadence helps the sponsor stay ahead of both compliance and operational risk before issues become urgent or inconsistent practices develop.

At the beginning of the year, sponsors should work with their outside counsel and service providers to set a welfare plan governance calendar. Meeting agendas and materials should be distributed in advance, and internal stakeholders should be reminded to review materials ahead of time so that decisions are made deliberately and consistently, not reactively in email threads.

Resolution #3: Keep detailed records of welfare plan decisions, especially exceptions, claims escalations, and vendor direction.

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Welfare plan disputes often come down to documentation: what the plan says, what the sponsor communicated, what the vendor did, and why an exception was (or wasn't) made. Plan sponsors should maintain dated, retrievable records of key decisions and instructions, including, without limitation, minutes or written summaries of governance meetings (even if informal), documenting what was reviewed, and what was decided.

As a best practice, circulate decision summaries or draft minutes in advance of the next meeting and approve them as the first agenda item. Where the sponsor has authority to amend the plan or approve material vendor changes, maintain signed evidence of approval (minutes, written consents, or signature packets) and retain supporting backup materials. Over time, these governance habits can meaningfully reduce risk, improve vendor accountability, and help ensure the plan is administered in a way that is both defensible and aligned with the sponsor's overall benefits strategy.

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