

Quick Tip: Medical Loss Ratio (MLR) Rebate as Compensation under the Retirement Plan

November 26, 2012

Many employers received rebates from their insurance companies this year under the Patient Protection and Affordable Care Act. Any employers that returned all or a portion of the rebate to participants should (i) review the definition of "compensation" for their qualified retirement plans to determine whether the rebate amount would be "compensation" for purposes of the plan; and (ii) work with their payroll departments or outside payroll providers to ensure that these rebate amounts are properly coded for retirement plan purposes.