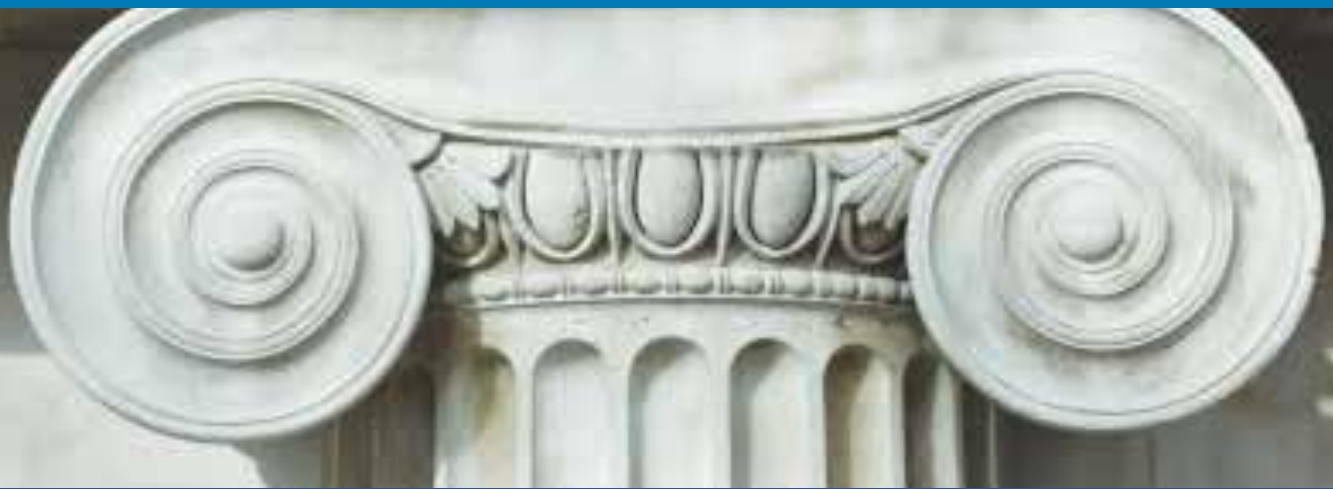


PENTEGRA TECH TIPS



2023 DOL Increases in Retirement Plan Penalties

The Department of Labor (“DOL”) recently released its increases in retirement plan penalties for 2023. The increased amounts apply to penalties assessed after January 15, 2023.

As fiduciaries, plan sponsors are responsible for ensuring their plan is compliant with IRS and DOL requirements. Today, retirement plan administration has become increasingly complex. There are new regulations and increasing compliance burdens. For many plan sponsors, the time commitment can be overwhelming and can distract from the more critical responsibility of running a business. Outsourcing to a 3(16) fiduciary administrator offers a better way to manage these responsibilities.

3(16) fiduciaries assume key retirement plan responsibilities for the client. This helps by not only eliminating work, but also minimizing risk and responsibility for doing the work. A plan sponsor's long list of retirement plan responsibilities become only a few.

With 3(16) fiduciary outsourcing, plan sponsors and advisors enjoy the confidence that comes from having a professional handle the complexities and burdens that come with offering a retirement plan.

Violation	2022	2023
ERISA Section 502(c)(2) - Failure to file annual returns (Form 5500s)	\$2,400 per day	\$2,568 per day
ERISA Section 502(c)(5) - Failure to file an M-1 Form (Applicable to Multiple Employer Welfare Arrangements-MEWAs)	\$1,746 per day	\$1,881 per day
ERISA Section 502(c)(6) - Failure to provide the DOL with requested documentation	\$171 per day not to exceed \$1,713 per request	\$184 per day not to exceed \$1,846 per request

Violation	2022	2023
ERISA Section 502(c)(9)(A) - Failure to provide CHIP notice to employees	\$127 per employee per day	\$137 per employee per day
ERISA Section 502(c)(9)(B) – Failure to disclose group health plan information to a state upon request	\$127 per participant and beneficiary per day	\$137 per participant and beneficiary per day
ERISA Section 502(c)(10) - Failure to comply with the Genetic Information Nondiscrimination Act (GINA)	\$127 per participant and beneficiary per day	\$137 per participant and beneficiary per day
<ul style="list-style-type: none"> Minimum penalty for uncorrected de minimis GINA violations 	\$3,192	\$3,439
<ul style="list-style-type: none"> Minimum penalty for uncorrected GINA violations that are not de minimis 	\$19,157	\$20,641
<ul style="list-style-type: none"> Maximum penalty for unintentional GINA failures 	\$638,556	\$688,012
ERISA Section 715 and PHSA 2715(f) - Failure to issue a Summary of Benefits and Coverage (SBC)	\$1,264 per day	\$1,362 per day

Source: <https://www.govinfo.gov/content/pkg/FR-2023-01-13/pdf/2023-00271.pdf>

For more information, contact the Pentegra Solutions Center at solutions@pentegra.com or 855-549-6689. Visit us at www.pentegra.com

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