

# NONDISCRIMINATION TESTING *by BASIC*



## Are Your Health & Welfare Plans Compliant?

An employer's benefit plan must not discriminate in favor of highly compensated and key employees with respect to eligibility, contributions, or benefits. The IRS has established regulations that specify requirements for each type of benefit plan. To remain in compliance, employers must perform annual tests on all their Self-Insured/Funded Health Plans and the results documented for each plan. The results are subject to audit by the DOL. There has been an increased interest in Nondiscrimination Testing (NDT) compliance following the expansion of these rules under the Affordable Care Act to insured health plans (NDT for full-insured plans is currently delayed).

## Don't Wait for an Audit to Find Out

Noncompliance for Nondiscrimination Testing against self-insured plans, could have more drastic consequences for employers since ACA imposes penalties of \$100 per day, per person, on the employer. With recent healthcare regulation changes, expected enforcement of NDT is to increase for Self-Insured/Funded Health & Welfare Plans. Don't wait until the IRS fines and taxes your company.



# COMPLIANCE

GO

Let BASIC help you remain compliant with the PPACA, ERISA and other laws while reducing the burden of your work load.

## **BASIC Nondiscrimination Testing Service (NDT): A Simple Solution to a Complex Problem**

BASIC NDT will provide Nondiscrimination Testing services for Self-Insured/Funded Health Plans identified under Section 105(h) of the Internal Revenue Code and in compliance with the Affordable Care Act (ACA) and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). This will ensure that all plans are operating in a nondiscriminatory manner. If a plan is discriminatory (in favor of highly compensated employees) corrections to the health plan may be made throughout the year – prior to the Plan Year-end.

### **BASIC NDT Service Features:**

BASIC's Compliance Team offers expert guidance on ERISA and ACA compliance. Our team is comprised of Legal and Certified Compliance Specialists whose areas of expertise focus superficially on employer ERISA and the Affordable Care Act Compliance Requirements.

- Clients Receive a Dedicated Compliance Support Representative
- Variety of Tests to Fit the Needs of Your Company
- Guaranteed Compliance on All Your Tests
- Complete and Accurate Results

### **Other Features BASIC Clients Receive:**

- **24/7 Compliance Service** ~ E-mail access to our regulatory compliance experts 24/7. Ask BASIC's In-House Regulatory Compliance Team questions specific to your organization.
- **Receive BASIC's Monthly Newsletter** ~BASIC delivers simple and timely industry news/regulation updates monthly.
- **Invitation to BASIC's Monthly Regulatory Webinars** ~ Clients receive invitations to our monthly educational webinars.

### **Plans that Require Nondiscrimination Testing:**

- Section 125 Cafeteria Plan
- Flexible Spending Accounts
- Dependent Care Assistance Plan (DCAP)
- Health Reimbursement Arrangement (HRA)
- Self-insured Medical Plans

