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DOL Penalties Increase for 2020

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The Department of Labor (DOL) published the annual adjustments for 2020 that increase certain penalties applicable to employee benefit plans.

Annual Penalty Adjustments for 2020

The following updated penalties are applicable to health and welfare plans subject to ERISA.

Description	2019 Penalty	2020 Penalty
Failure to file Form 5500	Up to \$2,194 per day	Up to \$2,233 per day
Failure of a MEWA to file reports	Up to \$1,597 per day	Up to \$1,625 per day
Failure to provide CHIP Notice	Up to \$117 per day per employee	Up to \$119 per day per employee
Failure to disclose CHIP/Medicare coordination to the State	\$117 per day per violation (per participant/beneficiary)	\$119 per day per violation (per participant/beneficiary)
Failure to provide SBCs	Up to \$1,156 per failure	Up to \$1,176 per failure
Failure to furnish plan documents (including SPDs/SMMs)	\$156 per day \$1,566 cap per request	\$159 per day \$1,594 cap per request
Genetic information failures	\$117 per day (per participant/beneficiary)	\$119 per day (per participant/beneficiary)
De minimis failures to meet genetic information requirements	\$2,919 minimum	\$2,970 minimum
Failure to meet genetic information requirements – not de minimis failures	\$17,515 minimum	\$17,824 minimum
Cap on unintentional failures to meet genetic information requirements	\$583,830 maximum	\$594,129 maximum

Employer Action

Private employers, including non-profits, should ensure employees receive required notices timely (SBC, CHIP, SPD, etc.) to prevent civil penalty assessments. In addition, employers should ensure Form 5500s are properly and timely filed, if applicable. Finally, employers facing document requests from EBSA should ensure documents are provided timely, as requested.