

ERISA Compliance Quick Checklist



NOTE: The following checklist has been published by the U.S. Internal Revenue Service (“IRS”) as a general guide to ERISA compliance for retirement plans. It is not intended to be comprehensive but does outline the areas of major compliance concern to the IRS.

Compliance with the Employee Retirement Income Security Act (ERISA) begins with knowing the rules. Plan administrators and other plan officials can use this checklist as a quick diagnostic tool for assessing a plan’s compliance with certain important ERISA rules; it is not a complete description of all ERISA’s rules and it is not a substitute or a comprehensive compliance review. Use of this checklist is voluntary, and it should not be filed with your Form 5500.

If you answer “No” to any of the questions below, you should review your plan’s operations because you may not be in full compliance with ERISA’s requirements.

1. Have you provided plan participants with a summary plan description, summaries of any material modifications of the plan, and annual summary financial reports or annual pension funding reports?
2. Do you maintain copies of plan documents at the principal office of the plan administrator for examination by participants and beneficiaries?
3. Do you respond to written participant inquiries for copies of plan documents and information within 30 days?
4. Does your plan include written procedures for making benefit claims and appealing denied claims, and are you complying with those procedures?
5. Is your plan covered by fidelity bonds protecting the plan against losses due to fraud or dishonesty by persons who handle plan funds or other property?
6. Are the plan’s investments diversified so as to minimize the risk of large losses?
7. If the plan permits participants to select the investments in their plan accounts, has the plan provided them with enough information to make informed decisions?
8. Has a plan official determined that the investments are prudent and solely in the interest of the plan’s participants and beneficiaries, and evaluated the risks associated with plan investments before making the investments?
9. Did the employer or other plan sponsor send participant contributions to the plan on a timely basis?
10. Did the plan pay participant benefits on time and in the correct amounts?
11. Did the plan give participants and beneficiaries 30 days advance notice before imposing a “blackout period” of at least three consecutive business days during which participants or beneficiaries of a 401(k) or other individual account pension plan were unable to change their plan investments, obtain loans from the plan, or obtain distributions from the plan?

If you answer “Yes” to any of the questions below, you should review your plan’s operations because you may not be in full compliance with ERISA’s requirements.

1. Has the plan engaged in any financial transactions with persons related to the plan or any plan official? (For example, has the plan made a loan to or participated in an investment with the employer?)
2. Has a plan official used the assets of the plan for his/her own interest?
3. Have plan assets been used to pay expenses that were not authorized in the plan document, were not necessary for the proper administration of the plan, or were more than reasonable in amount?

If you need help answering these questions or want additional guidance about ERISA requirements, a plan official should contact the U.S. Department of Labor Employee Benefits Security Administration office in your region or consult with the plan’s legal counsel or professional employee benefit advisor.