

Compliance Fines & Penalties (2022)

Depending on the compliance violation the Department of Labor (DOL), Internal Revenue Service (IRS) or Department of Health & Human Services (HHS) may impose fines or penalties. Below are a few possible examples.

Violation	Possible Fines	Department
ACA Reporting ALEs and Self-Funded Plans – 6055 and 6056 Reporting	\$280 for each filing failure, amount cap of \$3,392,000	DOL
ACA Notices (e.g., Patient Protections Notice, Rescission of Coverage Notice)	\$100/day	IRS
COBRA Notices	\$110/day, per violation	DOL/ERISA
Failure to provide written requested ERISA plan documents, Summary Plan Descriptions, Summary of material modifications, etc.	\$110/day. Failure to furnish up to \$161 per day, not to exceed \$1,613 per request	DOL/IRS
Late 5500 Report	up to \$2,400 per day	DOL/IRS
Failure to File annual 5500 Report	\$2,400 per day	DOL
FMLA Violations	\$178 for each separate offense	DOL
Failure to furnish statement of benefits or to maintain records.	\$33 per employee	IRS
Failure to notify plan participants of benefit restrictions and/or limitations.	\$1,788/recipient	DOL
Failure to furnish automatic contribution arrangement notice.	\$1,788/recipient	DOL
Failure to furnish employee benefit plan documents to DOL upon request.	\$2400/day	DOL
Failure to inform employees of Medicaid/CHIP coverage opportunities.	\$127 per day per employee	DOL
GINA Violation	\$127 per participant per day	DOL
Failure to provide Summary of Benefits Coverage (SBC).	Up to \$1,264 per failure	DOL
Failure to disclose certain documents upon request (ERISA 101(k) and (l)); failure to furnish notice under ERISA 101(j) and 514(3)(e)	\$1,899 per statutory recipient	DOL
FMLA Posting & Notice Violation	\$189 for each offence	DOL
HIPAA Violations - No Knowledge	\$60,226 per violation and up to \$1,806,757 per calendar year	DOL/HHS
HIPAA Notice of Special Enrollment Rights	\$100 per failure	CMS/HHS
MEWA - Failure or refusal to file a complete or accurate Form M-1.	\$1,746 a day	DOL
Allowing premiums to be paid on a pre-tax basis for covered benefits without having either a Premium Only Plan (POP) document or Flexible Spending Account (FSA) document.	Penalty: Employer can lose the ability to allow premiums on a pre-tax basis.	IRS
Other - This is only a partial list of possible fines and penalties.		