

Weekly Digest

• January 16, 2024 •

DOL Increases Civil Money Penalties for 2024

"The **final regulations**' higher penalty amounts apply for penalties assessed after January 15, 2024, whose associated violations occurred after November 2, 2015. A table reflects the DOL's 2024 annual inflation adjustments to the civil money penalties for violations of certain requirements under ERISA, effective January 15, 2024." [Full Article](#)

Thomson Reuters / EBIA



New Rule on Independent Contractor Classification Will Have Profound Impact on Businesses

"The rule fails to provide a realistic solution for the frequent scenario where workers who desire to be independent contractors choose themselves to be 'economically dependent' on work made available to them by one company, such as an ongoing business relationship between a vendor and its customer. As such, the rule is likely to create more uncertainty for companies that utilize legitimate independent contractor relationships to carry out their business functions." [Full Article](#)

Holland & Knight LLP

**EMPLOYEE
BENEFITS**

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DOL Proposes Rescinding Prior Rule Relating to Association Health Plans

"The preamble to the **Proposed Rule** indicates that that the DOL considered revising the rule to strip out the provisions the District Court vacated, but concluded the AHP Rule could not be applied in any meaningful way without those provisions. The preamble also states the DOL is not aware of any AHPs that currently exist in reliance of the AHP Rule." [Full Article](#)

Groom Law Group



Form 5558 will be Postponed for Electronic Filing Through EFAST Until Jan. 1, 2025

"Due to IRS administrative issues involving the EFAST2 system, the IRS is postponing electronic filing of Form 5558 through EFAST2 until Jan. 1, 2025. Plan sponsors and administrators should continue to use a paper Form 5558 to request a one-time extension of time to file a Form 5500 series or Form 8955-SSA (up to 2½ months after the normal due date for Form 5500s or Form 8955-SSA)." [Full Article](#)

Internal Revenue Service [IRS]

Must Our Plan Offer COBRA Coverage to Spouses and Dependents Whose Coverage Was Dropped at Open Enrollment?

"Caution is needed because sometimes, dependents or spouses are dropped from coverage during open enrollment due to a COBRA triggering event.... [A] plan administrator that becomes aware that one of these qualifying events (such as a divorce) has occurred may wish to act on that information and provide a COBRA election notice immediately, even without formal notice. Sending the election notice will start the 60-day COBRA election period running at the earliest possible time." [Full Article](#)

Thomson Reuters / EBIA



HIPAA Breach Notifications – A Question of Timing

"Sometimes an investigation takes months to complete, and the HIPAA deadline for providing notice may have passed before a health plan or health care provider even knows who was affected by the breach and is entitled to notice. Plan administrators ... need to consider how and when they can provide appropriate notice to individuals ... taking into account HIPAA's requirements, the terms of the applicable business associate agreement, concerns about causing undue alarm, and other factors." [Full Article](#)

Ballard Spahr LLP