

Post-Hurricane Relief for Welfare Benefit Plans, Participants & Beneficiaries Announced

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The U.S. Department of Labor (DOL) and the Internal Revenue Services (IRS) issued guidance applicable to welfare benefit plans, and their plan administrators, participants, and beneficiaries in Puerto Rico to provide relief following the effects of Hurricanes Irma and Maria.

Hurricane Irma Relief

Regarding victims of Hurricane Irma, the DOL guidance encourages plans to make reasonable accommodations to prevent the loss of health benefits if affected participants and beneficiaries fail to timely provide COBRA notices or file claims. The DOL's approach to enforcement will emphasize on compliance assistance, including grace periods and other relief where appropriate. In addition, the IRS' guidance extends until January 31, 2018 the filing deadline applicable to welfare benefit plans Form 5500 filings which were due on or after September 5, 2017. The related Summary Annual Report (SAR) distribution deadline is automatically extended for two months after the filing of the Form 5500.

Hurricane Maria Relief

The DOL extended a number of deadlines so plan participants, beneficiaries and employers in Puerto Rico affected by Hurricane Maria have additional time to make critical health coverage and other decisions affecting benefits.

For group health plans, the relief guidance provides that the period of September 17, 2017 through March 16, 2018 is disregarded when determining the following: (1) the period to request special enrollment to the plans, (2) the election period for COBRA continuation coverage, (3) the date for making COBRA premium payments, (4) the date for individuals to notify the plans of a COBRA qualifying event or determination of disability, and (5) the date within which individuals may file claims for benefits, appeals of denied claims, or external reviews of certain claims.

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With regard to disability, life insurance and other welfare benefit plans, the relief provides that the period of September 17, 2017 through March 16, 2018 is disregarded for participants and beneficiaries to make claims for benefits and to appeal denied claims. The IRS also extended until January 31, 2018 the filing deadline applicable to welfare benefit plans Form 5500 filings which were due on or after September 17, 2017. The related SAR distribution deadline is automatically extended for two months after the filing of the Form 5500.

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