



PREPARE YOUR ORGANIZATION FOR A NEW WAVE OF DOL AUDITS

ERISA attorney and My HR Storage consultant Larry Grudzien discusses today's challenging regulatory landscape -- and what agents, brokers and employers must do to prevent crippling penalties.

A recently published ADP survey finds that healthcare reform and increasing compliance complexity "may drive outsourcing of benefits administration." According to the survey, "forty-five percent of HR/benefits decision makers in mid-sized companies report that regulatory changes have made them more likely to outsource some or all of their benefits

administration, as healthcare reform increases both the complexity and time required to administer benefits."

Larry Grudzien, an attorney and My HR Storage consultant, says that ensuring compliance has been an increasing challenge for the past 15 years, as everything from HIPAA and COBRA, the Family and Medical Leave Act (FMLA), Americans with Disabilities Act (ADA) and Age Discrimination in Employment Act (ADEA), to name a few, have increased administrative complexity.

"It has made it harder for employers to keep up with everything they're supposed to do," said Grudzien. "As new regulations are issued or prior ones are amended and modified, the trend will continue."

With the passing of the PPACA, Department of Labor and IRS audits will rise, placing even more pressure on employers to ensure compliance.

"In my experience, brokers and consultants don't have the background or the time to support the myriad of compliance issues," says Grudzien. "Over the years I've worked with a lot of brokers

on compliance audits, and nine out of ten times I find problems."

As the regulatory landscape undergoes broad and rapid change, brokers and consultants are on the line to make sure employers are compliant.

"My HR Storage benefit portals make my work easier -- and by extension the work of our broker/agent clients -- by providing a repository of up-to-date documents, such as cafeteria plans or Summary of Benefits Coverage documents that are easily accessible to employers, as well as employees and their families."

Indeed, ensuring compliance with SBC requirements is a major challenge facing brokers and their clients who need to prove that they are being communicated --and received-- by employees -- at risk of incurring a \$1K penalty for each employee who can't confirm receipt.

"My HR Storage clients have a leg up, as the portal simplifies the distribution, access, and tracking of Summary of Benefits and Coverage (SBC) documents," says Grudzien. "Organizations that mail them out have no tracking mechanism, whereas My HR Storage does -- providing proof they've been received."

The increasing compliance burden is particularly difficult for small and medium-sized organizations, many with one or two person HR departments tasked with day-to-day HR functions. COBRA administration, HIPAA compliance, Flexible Spending Account (FSA) administration and 401(k) administration, and now SBC compliance, make the HR administrator's job complex and daunting. And getting into the weeds on the broad range of compliance issues is not typically within the broker or consultant's bailiwick. According to Grudzien, these burdens will only increase: the DOL and IRS have increased hiring of auditors to monitor compliance across the board, with a particular focus on SBC compliance, which adds pressure to client communication practices - but also gives advisers a chance to add value to their services.

"The My HR Storage platform will be -- indeed, it already is -- an indispensable resource for brokers, agents and their clients in simplifying compliance," said Grudzien. "Proactive advisers who use the platform will demonstrate their value to clients by ensuring compliance with SBC regulations. My HR Storage will facilitate the smooth adoption of all relevant aspects of PPACA policy - enabling brokers and consultants to position themselves as the go-to source for regulatory expertise...while they and their clients can focus on core business or strategic issues."



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