



ERISA Overview

HR ALERT

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What is ERISA?

The Employment Retirement Income Security Act of 1974, or ERISA, is a federal law that sets minimum standards for pension plans in private industry. ERISA does not require any employer to establish a pension plan, but if they do, they must meet certain minimum requirements.

ERISA does the following:

- Requires accountability of plan fiduciaries
- Sets minimum standards for participation, vesting, benefit accrual and funding
- Gives participants the right to sue for benefits and breaches of fiduciary duty
- Guarantees payment of certain benefits if a defined plan is terminated
- Requires plans to provide participants with information about the plan

ERISA: Denial of Benefits for Sex-Change Procedure

Please Note: This case does not apply necessarily to Pennsylvania law since it was not ruled in the 3rd circuit. A Federal circuit court has upheld a decision by a lower court to deny benefits under a ERISA health plan to a participant who underwent a sex-change operation and sought reimbursement. The court noted that the operation was not a “medical necessity” and the employer had conducted a “meaningful investigation” in determining that sex changes in general are not medically necessary.

Other Relevant HR Alert Documents Available at WWW.AETHR.COM

- 401k Blackout Periods – Federal Register – Part 1
- 401k Blackout Periods – Federal Register – Part 2
- 401k Plans Overview
- Economic Growth and Tax Act
- Economic Growth and Tax Act Overview
- ERISA Sex Change Case – December 20, 2002
- Sarbanes-Oxley Act of 2002

Other Relevant Documents Available by Annual Subscription in the CLIENTS ONLY section of WWW.AETHR.COM

- ADEA – EEOC Rescinds Guidance
- EEOC – Q&A’s – Benefits

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Updated/Revised: January 20, 2003

PLEASE NOTE

Information contained is designed and intended to provide accurate and authoritative information in regard to the subject matter covered. If legal advice is required, the services of a competent attorney should be obtained.