

Department of Labor Issues 2023 Adjusted Penalty Amounts

March 1, 2023

Quick Facts

- Federal regulations require the Department of Labor (DOL) to adjust its civil money penalties for inflation annually, by January 15.
- A variety of penalties are updated for enforcement in 2023.

Background

Federal regulations require the DOL to adjust its civil monetary penalties for inflation annually, by January 15. The [DOL has announced the 2023](#) annual adjustments for a wide range of benefit-related violations. The 2023 adjusted penalty amounts are effective for any civil penalties assessed after Jan. 15, 2023, by the Employee Benefits Security Administration (EBSA), the enforcement department of the DOL. While the DOL has the discretion to impose lower penalty amounts or waive the penalties entirely due to good faith correction efforts, it is important that plan sponsors understand the potential consequences of non-compliance.

Form 5500

Failure to file annual report Form 5500 in a timely manner subjects a plan sponsor to an increased penalty of \$2,586 per day, starting on the date of the failure.

Summary of Benefits and Coverage (SBC)

The maximum penalty for failing to provide the SBC increases from \$1,264 to \$1,362 per failure.

Documents Requested by the DOL

Penalties for failure to provide plan information to the DOL within 30 days upon request increased to \$184 per day late, with a maximum penalty of \$1,846 per occurrence.

Children's Health Insurance Program (CHIP) Notice and Assistance

Failure to provide each employee with a notice regarding state-provided premium assistance (commonly referred to as a Medicaid/CHIP notice or CHIPRA notice) subjects a plan sponsor to a penalty of \$137 per day per employee.

Employers must, upon request, provide disclosure of group health plan benefits to states for Medicaid/CHIP-eligible individuals. The penalty for failure to provide that disclosure also increased to \$137 per day per employee.

Multiple Employer Welfare Arrangement Filing

Penalties for failure to meet applicable filing requirements, which include annual Form M-1 filings and filings upon origination, increased to \$1,881 per day.

Genetic Information Nondiscrimination Act (GINA)

Violations such as establishing eligibility rules based on genetic information or requesting genetic information for underwriting purposes may result in penalties of \$137 per participant per day, up from \$127.

EPIC Employee Benefits Compliance Services

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