

Massachusetts Health Connector Rescinds October 1, 2007 Cafeteria Plan Filing Requirement

On September 5, 2007, the Commonwealth Health Insurance Connector Authority significantly modified the Section 125 cafeteria plan filing requirements set forth in the Connector's Section 125 cafeteria plan regulations (the "Regulations"). Through the adoption of Administrative Bulletin 03-07, the Connector rescinded the requirement that employers subject to the cafeteria plan mandate (called "151F Employers") file their Section 125 cafeteria plans with the Connector by October 1, 2007. The Regulations now require only that 151F Employers submit copies of their Section 125 cafeteria plans to the Connector if requested to do so by the Connector. An employer receiving such a request must submit its plan(s) within seven days of the request. The Bulletin clarifies that any Section 125 cafeteria plan that is not available to any employees employed at a Massachusetts location is not subject to this filing requirement.

The Bulletin also addresses two other issues:

- The Connector has expanded the list of employees who may be excluded from coverage under a Section 125 cafeteria plan to include students who are employed part-time by the educational institution they attend and who, as a condition of attending the institution, are required to participate in a qualifying student health insurance program or in a health plan with comparable coverage, as required by state law.
- The term "Independent Contractor," as defined in the Regulations, has been modified to clarify that an independent contractor includes an individual who provides services not deemed to be employment for federal employment tax and wage withholding purposes.

Contact Information

Please contact your Ropes & Gray benefits attorney or consultant with any questions about these changes.

