



## CLIENT BULLETIN:

- **CONNECTOR DISPENSES WITH FILING REQUIREMENT FOR SECTION 125 PLAN DOCUMENTS**

September 17, 2007

### ***CONNECTOR ISSUES ATTACHED ADMINISTRATIVE BULLETIN 03-07***

Please be advised that on September 5, 2007, the Connector issued the attached Administrative Bulletin 03-07. (This Administrative Bulletin is also available through this link: [Administrative Bulletin 0307](#).) As anticipated, the Connector dispensed with the filing requirement for Section 125 plan documents. **Instead of filing such documents with the Connector on or before October 1, 2007, employers subject to the Section 125 filing requirement now must submit a copy to the Connector within seven business days of a request for the same from the Connector.**

Given the numerous changes on this front, a brief review of the history of this requirement is in order. We advised in our Client Bulletin of June 22, 2007 that the Connector had placed the filing of Section 125 documents on hold until further notice. The Connector supplied such further notice in the form of Administrative Bulletin 02-07, issued on July 2, 2007. As we advised in our July 2 Client Bulletin, the Connector's Administrative Bulletin 02-07 specified October 1, 2007 as the deadline for filing those Section 125 plan documents with the Connector that otherwise would have been due to the Connector by July 1, 2007. Once again, by this new Administrative Bulletin 03-07, the Connector has instead eliminated the filing deadline in favor of a requirement that the documents be supplied on request.

As noted in the June 22 Client Bulletin and as emphasized again in the July 2 Client Bulletin from our office, **this change in the filing deadline does NOT mean that employers are relieved from the requirement of establishing and offering a Section 125 plan meeting Federal and Connector requirements.** Employers who delay in establishing and offering such a plan run the risk of possible future imposition of a Free Rider Surcharge, as noted in our June 22 and July 2 Client Bulletins and in our May 21 Client Advisory. If you did not receive any of these documents or if you require further copies of the same, please contact our office by e-mail or telephone.

In addition to dispensing with the blanket filing requirement for Section 125 plan documents, the attached Administrative Bulletin addresses two additional issues. First, by this latest Administrative Bulletin, the Connector expands the list of categories of employees who may be excluded from cafeteria plan coverage to include certain student employees. Second, this Administrative Bulletin redefines “independent contractor” for purposes of the Massachusetts Section 125 plan requirements in such a way as to bring it in line with federal rules.

As always, please do not hesitate to contact us if you have any questions regarding the ever-changing world of Massachusetts Health Care Reform.