TEST – HR – BENEFITS

1. Your firm decided to make a major change to its health insurance coverage to the benefit of all employees. Because of this change, the firm's administrator must provide all employees with what?

   a. Certificate of Credible Coverage
   b. Fair Credit Reporting Act Disclosure Statement
   c. COBRA Initial Notice
   d. An updated Summary Plan Description ("SPD") or a Summary of Material Modification ("SMM")

2. Under ERISA, when is the annual report (Form 5500) on a qualified benefit plan due to be filed with the DOL?

   a. Two months after eligibility of the plan
   b. Three months after establishment of the plan
   c. Seven months after the end of the plan year
   d. One year after plan features have changed

3. According to the law, workers' compensation benefits must be provided

   a. regardless of fault in an accident
   b. only in cases where employees followed the company's safety and health rules
   c. only to workers in the construction and other "heavy" work industries
   d. for off-the-job injuries.

4. Under HIPAA, which of the following is <u>never</u> considered a pre-existing condition?

   a. Employee who is pregnant
   b. Employee with a mental illness
   c. Employee with a terminal illness
   d. Employee who was involved in a car accident 10 days after he left his last employer, and which occurred 15 days prior to his start date at your firm

5. Which of the following acts protects employees covered by private pension programs?

   a. Tax Reform Act
   b. Employee Retirement Income Security Act
   c. Tax Equity and Fiscal Responsibility Act
   d. Age Discrimination in Employment Act

6. Sarah, a secretary in your firm, becomes seriously ill. Which of the following describes her rights under the Family and Medical Leave Act?

   a. 12 weeks of unpaid leave in a 12-month period
   b. 12 weeks of paid leave in a 12-month period
   c. Unlimited number of weeks of unpaid leave as needed and documented by a physician
   d. Number of unpaid weeks to be determined through negotiation with her employer

7. The employer agrees to provide the employee with a retirement benefit amount based on a formula. The employer must fund the plan to the level required by the formula. The employer bears the risk that sufficient funds will be available in the plan when required for retirement distributions. What is this plan called?

   a. 401(k) plan
   b. Defined Contribution Plan
   c. Defined Benefit Plan
   d. High Deductible Health Plan

8. In which of the following scenarios are you <u>not</u> required to offer the employee COBRA coverage?

   a. To an employee's covered spouse, when the employee has given you notice they have divorced.
   b. To an employee's covered dependent student, when the student reaches the age of 22 and is no longer a full-time student.
   c. To an employee when the employee was terminated for gross misconduct.
   d. To an employee who was terminated due to a reduction in force.

9. ERISA applies to which of the following plans:

   a. Pension Plans
   b. Health Insurance Plans
   c. Defined Contribution Plans
   d. All of the Above

10. True or False. Another term for HMO (Health Maintenance Organization) is "managed care."

11. Premium quotes provided by insurance carriers are based on all of the following <u>except</u>:

   a. Funding Arrangement
   b. Claims Experience
   c. Community Rating Issues
   d. Profitability of the Law Firm

12. Employer-paid group term life insurance is non-taxable to the employee up to which of the following:

   a. 25K
   b. 50K
   c. 75K
   d. 100K

13. In reference to No. 12 above, if an employee is offered more employer-paid life insurance beyond the non-taxable limit, <u>how</u> do you treat that excess coverage?

a. Employee should receive a 1099 at year end
b. The excess amount must be reported on employee's W-2 and is considered imputed income
c. If employee is over the age of 59 ½ , the excess is not taxable
d. As the employer, you are not responsible for doing anything. It is up to the employee to report the excess coverage amount to the IRS

14. Pre-tax benefit programs such as health care reimbursement plans and commuter benefits are regulated by all of the following <u>except</u>:

a. ERISA
b. HIPAA
c. IRC (Internal Revenue Code)
d. DOL

ANSWERS:

1. d
2. c
3. a
4. a
5. b
6. a
7. c
8. c
9. d
10. True
11. d
12. b
13. b
14. d