

**Report for Multiple Employer Welfare Arrangements and Certain Entities
Claiming Exception (Form M-1)
OMB Number 1210-0116
October 2018**

Justification for Nonmaterial/Nonsubstantive Change

The Department is submitting a non-material/non-substantive change request for the Form M-1, Report for Multiple Employer Welfare Arrangements (MEWAs) and Certain Entities Claiming Exception (ECEs) (OMB Control Number 1210-0116, which currently is scheduled to expire on June 30, 2019). The Department is not making any program changes to the forms and instructions at this time.

Filers are currently required to indicate the type of MEWA filing (registration, origination, or special filing) on Part I(A). The Form has been modified to clarify that filers must indicate the date of the registration, origination, or occurrence of the reason requiring a special filing. The Form has also been revised to clarify that Box 17 (requiring insurance information with regard to the MEWA) should be completed for each State in which the MEWA operates. The accompanying instructions for this reporting item clarify that the filer should complete a separate row for each state in which the MEWA operates.

The Department also had added clarifying language to Line 21 indicating that only MEWAs subject to part 7 of ERISA on the date of the filing are required to complete Lines 21a-21f of the form. The Form M-1 instructions also are being revised to clarify that the MEWAs that are required to file the M-1 are only those providing benefits consisting of “medical care” (within the meaning of ERISA section 733(a)(2)). The Department has found that MEWAs not providing medical benefit are filing Form M-1 and referencing insurance contracts that are not health/medical insurance.

The Form M-1 instructions also have been clarified to explain that for purposes of the Form M-1, “operating” means “any activity including but not limited to marketing, soliciting, providing, or offering to provide benefits consisting of medical care.” The Instructions also now state that the Department has the authority to issue an ex parte cease and desist order if it appears that a MEWA “creates an immediate danger to the public safety or welfare” which includes a MEWA that “fails to establish and implement a policy or method to determine that the MEWA is actuarially sound with appropriate reserves and adequate underwriting.”

The Department has updated the hour and cost burden associated with the annual information return/report of employee benefit plan IC to reflect its most recent data on Form M-1 filings and wage rates. The number of filings will increase from 456 to 551, which will lead the hour burden to increase from 97 hours to 116 hours. Due to the increased number of filings and an increase in wage rates, the cost burden will increase from \$81,900 to \$139,559.