



## **Massachusetts Health Care Reform Client Update**

### **Section 125 Plans**

**May 29, 2007**

The Massachusetts Health Care Reform Act requires that all employers who have the equivalent of 11 or more full-time employees working in Massachusetts must have a Section 125 Plan, effective July 1, 2007. The plan must satisfy the regulations issued by the Commonwealth Health Insurance Connector Authority (Connector) and a copy of the plan must be filed with the Connector. Companies that do not comply will be subject to the Free Rider Surcharge if any employee utilizes the Free Care Pool and has claims in excess of \$50,000.

Benemax has prepared a Section 125 Plan document which satisfies the requirement of the new law. If you currently have a 125 Plan, this document amends and restates your original plan. We are happy to provide these documents at no charge to our current clients.

Attached is a Section 125 Plan Questionnaire. If you wish Benemax to prepare a plan document, **as soon as possible** please [complete the Questionnaire online](http://www.benemax.com/legislativeupdates) (or go to <http://www.benemax.com/legislativeupdates>). Alternatively, you may complete the attached questionnaire and fax it to our Compliance Officer, Walter G. Hiltz by (508-242-6160 direct fax line).

The Connector has not yet issued guidance on where and how to file the Section 125 Plans. Benemax will continue to keep our clients informed as the information becomes available.

**If you have any questions or concerns about Section 125 Plans or any other aspect of Massachusetts Health Care Reform, please contact your Benemax Account Executive or our Compliance Officer, Walter G. Hiltz (800-528-1530 x120).**