

Publications

View From Groom: Latest Developments in the Church Plan Cases

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As of this March, three years have passed since the first lawsuits were filed challenging what had long been an uncontroversial notion: that church affiliated non-profits, such as hospitals or schools, are exempt from ERISA's coverage. In this respect, church plans may elect to, but are not required to, comply with ERISA's requirements, such as ERISA's funding standards, notice and disclosure requirements, and insurance premium requirements. During the past three years, some twenty-three church plan lawsuits have been filed challenging that legal proposition. These lawsuits are listed in the table in the article. The pace of filings has picked up rapidly of late, with a flurry of new cases having been filed in March and April of this year.

The key issue in these cases is whether, to qualify for the church plan exemption, a plan must be established by a church, or whether non-profit organizations controlled by or associated with churches may themselves sponsor church plans. And since last December, significant decisions have come down on both sides. Please see the attached article for further information.