

Publications

ERISA Bonding Requirements

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The Employee Retirement Income Security Act of 1974 (ERISA) requires all persons who handle assets of employee benefit plans to be bonded. This requirement protects plans against losses sustained due to acts of fraud or dishonesty by those persons whose positions require them to come in direct contact with or exercise discretion over plan assets. To comply with ERISA, plan sponsors must understand the bonding requirements and ensure that the bond that they purchase satisfies them. The attached article provides an overview of the ERISA bonding requirements and explains:

The persons required to be covered by the bond.

Applicable exemptions.

The bond provisions required to comply with ERISA.

The difference between fiduciary liability insurance and fiduciary bonding.

How to pay for a bond.

The consequences of failing to maintain an appropriate bond.

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