

Are ERISA fidelity bonds required?



CONCORDIA PLANS

We offer Concordia Plans. Does my ministry need an ERISA fidelity bond?

The short answer is “no”. Here’s why.

Most retirement plans are subject to the Employee Retirement Income Security Act of 1974 (ERISA). ERISA requires every person handling plan funds to be bonded. However, ERISA’s fiduciary liability provisions do not apply to church plans like the Concordia Retirement Plan and the Concordia Retirement Savings Plan. Church plans are often exempt from state laws governing fiduciary liability as well.

Despite these exemptions, each ministry should assess its own risks and exposures to develop a risk management program tailored to meet its needs. As outlined in the LCMS Congregational Treasurer’s Manual, your general liability coverage likely will include a crime policy which should cover theft for non-ERISA plans. Your coverages should also include fiduciary liability which covers errors and omissions in the administration of benefit plans. You should check with your broker to confirm that your ministry has fiduciary liability coverage and that your crime policy covers non-ERISA plans. If not, request an endorsement covering this exposure.



For more detailed information on risk management and insurance coverage recommendations, see **Chapter 26** of the LCMS Congregational Treasurer’s Manual.

Michele Lux, CEBS, ERPA

Michele Lux is the Director, Legal and Compliance, supporting our in-house attorneys and legal team professionals. Michele brings a significant number of years of comprehensive benefits experience to Concordia Plans. Prior to joining CPS in 2015, Michele worked with a broad range of employee benefit plans as a paralegal for several St. Louis area law firms and corporations. Michele believes in the CPS mission of serving church workers so that they can concentrate on the ministry’s mission.





QUESTIONS?

CALL 888-927-7526 **EMAIL** info@ConcordiaPlans.org

1333 South Kirkwood Road • St. Louis, MO 63122