

# Welcome

Employee benefit laws change rapidly —  
UBA Partner Firms help their clients stay one step ahead  
with ongoing expert compliance resources.



This webinar is intended to provide general compliance information regarding employee benefits laws. Please consult your legal advisor for specific legal advice.



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# Benefit Considerations during Layoffs, Mergers, and Acquisitions



**KUTAKROCK**

[kutakrock.com](http://kutakrock.com)

# Agenda

1. Layoffs and Severance
2. Asset Transactions
3. Stock Transactions (including mergers)
4. Representations and Warranties
5. Preparing for M&A Transactions
6. Q&A

**KUTAKROCK**

[kutakrock.com](http://kutakrock.com)

# 1. Layoffs and Severance

Severance Policies/Plans/Job training/assistance

COBRA considerations

Portability considerations

WARN Act

## 2. Asset Transactions



# Typical Asset Transaction: Seller terminates employment, Buyer hires employees



PTO



COBRA



OOP AND  
DEDUCTIBLE



FSAS, HRAS  
AND DCAPS



SELF-FUNDED  
HEALTH PLANS



UNION  
EMPLOYEES



# Partial Asset Transactions

- WARN Act
- COBRA M&A Beneficiaries
  - Stock/Asset M&A Qualified Beneficiaries
  - Allocating COBRA responsibility – by law or contract
- Lease employees/transition services
  - Watch out for MEWAs



# 3. Stock Transactions



# Stock Transaction

No termination of employment, employees remain employees of their employer

Issues:

- Assume benefit plans vs migrate/integrate in Buyer's plans
  - Impact on OOP and Deductibles
- Nondiscrimination testing if Seller maintains plans that are different from Buyer plans
- Affordable Care Act Reporting
- Union Employees

## 4. Representations and Warranties

Evaluate truthfulness of representations and warranties

How to handle obligation to provide “comparable” benefits

# 5. Preparing for M&A Transactions

Brad from HR:  
There's a meeting  
today??



# Preparing for M&A Transactions

- Due Diligence Support
- Compliance Review
- HIPAA Considerations
- Identify Issues for Deal Team
- Integration



## 6. Q&A



# Join Us Again

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Get It Right Every Time: A Refresher  
on COBRA Rules and Best Practices

Getting It Right:  
ACA Counting, Tracking,  
and Reporting

Register at: [ubabenefits.com/compliance](http://ubabenefits.com/compliance)

May 9

June 13

July 11

Navigate Your Way Through FMLA



Thank You

