



DOL Audit Readiness:

Employer Best Practices for ERISA Benefit Plans

Key ERISA benefit plan compliance practices, recordkeeping expectations, and audit response priorities.

Department of Labor (DOL) audits of employee benefit plans are a routine part of ERISA enforcement and can arise with little advance notice. Common causes for a DOL audit are:

- Late Form 5500 filing
- Referrals from other agencies (e.g., the IRS)
- Participant or beneficiary complaints
- Random selection

During an audit, employers may be required to produce plan documents, participant records, and evidence of administrative practices within short time frames.

Employers must be able to substantiate information reported to the DOL, the IRS, and plan participants, including records supporting plan operations and compliance testing, where applicable.

Under ERISA § 504, the DOL has broad authority to investigate employee benefit plans, including the ability to request documents, interview plan fiduciaries, and examine plan operations.

Although recent EBSA [guidance](#) reflects a greater focus on egregious conduct, employers should continue to prioritize audit readiness. Well-organized records and consistent administrative processes are key to demonstrating compliance and responding efficiently to DOL inquiries.

This overview is intended to support audit readiness by highlighting key areas of focus during a DOL audit. It is not exhaustive, nor intended to provide legal advice, and employers should consult legal counsel or benefits professionals regarding their specific circumstances.

Area	Best Practice	Why It Matters
Document Compliance	Ensure plan documents, SPDs, notices, and other materials include all required provisions and content under applicable laws.	The existence of documents alone is not sufficient—documents must be complete and compliant to withstand audit scrutiny.
Document Retention	Maintain complete and organized plan records, including plan documents, SPDs, Form 5500 support records, claims files, and payroll and contribution data.	Supports compliance and enables employers to substantiate benefit determinations during an audit.
Retention Periods	Retain records for at least six years in accordance with ERISA § 107, and longer for participant-level records (generally for the life of the plan and beyond).	Ensures the ability to respond to audits and long-term participant claims, particularly for retirement plans.
Electronic Records	Maintain records electronically only if they are accurate, secure, readily retrievable, and capable of being reproduced in paper form upon request.	Ensures compliance with DOL requirements and facilitates timely production of records.
Governance Documentation	Document fiduciary decisions, committee activities, and plan oversight processes.	Demonstrates prudent process and good faith administration.
Claims and Appeals	Maintain complete documentation of claims determinations and appeals.	Supports defensibility of benefit decisions and compliance with procedural requirements.
Vendor Oversight	Clearly define recordkeeping and administrative responsibilities in vendor agreements and periodically review vendor performance.	Employers remain ultimately responsible for compliance, even when functions are delegated.
Form 5500 Support	Retain records supporting all information reported on Form 5500 and related schedules.	Required under ERISA § 107 and commonly reviewed during DOL audits.
Participant Communications	Retain copies of required notices and documentation of their distribution (e.g., SPDs, SARs, COBRA notices).	Demonstrates compliance with ERISA's disclosure requirements.
Administrative Processes	Establish and follow consistent procedures for eligibility, contributions, and plan administration.	Reduces the risk of errors and supports consistent plan operation.
Retirement Plan Records (if applicable)	Maintain detailed records of participant contributions, employer contributions, vesting schedules, loans, and distributions.	Critical for substantiating account balances and responding to participant inquiries or audits involving retirement benefits.
Cybersecurity	Implement and maintain reasonable administrative, technical, and physical safeguards to protect plan data, including participant information and plan records.	Protects sensitive data, supports compliance with DOL guidance, and reduces the risk of breaches that may trigger audit scrutiny or fiduciary concerns.
Audit Readiness	Be prepared to produce requested records in a timely and organized manner.	Timely and complete responses support a demonstration of compliance and good faith.
Cross-Compliance	Review plan practices and policies for compliance with related laws, such as HIPAA, COBRA, and the FMLA, where applicable.	DOL audits may involve review of compliance with multiple federal laws affecting benefit plans.

Resources

The following Mineral resources provide additional detail on topics frequently reviewed during DOL audits:

- [ERISA: An Introduction](#)
- [ERISA: Records Retention Requirements](#)
- [HIPAA: An Introduction](#)
- [GHP: COBRA Enforcement](#)
- [FMLA: Maintenance of Healthcare Benefits](#)
- [ACA: Getting Started on Requirements for Employers](#)
- [ACA Audit Letter Best Practices](#)
- [Retirement Savings Accounts Plan Document Compliance Checklist ERISA-Covered Plans](#)
- [Documents Governing Health, Welfare, and Retirement Plans](#)
- [Getting Started with Employee Benefits Compliance Obligations](#)

Glossary

The following abbreviations are used in this guide:

ACA: Affordable Care Act

COBRA: Consolidated Omnibus Budget Reconciliation Act

EBSA: Employee Benefits Security Administration

ERISA: Employee Retirement Income Security Act

FMLA: Family and Medical Leave Act

HIPAA: Health Insurance Portability and Accountability Act

SAR: Summary Annual Report

SPD: Summary Plan Description