

## Benefit Fact Sheet

### What is it?

A group legal plan provides pre-paid or discounted services for common legal problems. Services are delivered either via telephone or face-to-face consultations through a network of attorneys. Typical advice includes landlord/tenant disputes, buying or refinancing a home, traffic violations, tax questions, will preparation, contract or document review, and other legal assistance. Employment related advice is not provided.

### Why offer it?

- Progressive benefit offering with very little cost or administrative burden
- Prevent management and supervisory personnel from having to counsel on legal issues
- Most employees do not have an attorney or know how to contract with one

### What types of employers offer it?

Employers seeking comprehensive benefit packages

### What size employers offer it?

Typically offered by employers with 100+ employees

### What are the critical underwriting or participation requirements?

- Plan design
- Plan funding (employee and/or employer paid)

### What's new in this area?

Many group legal plans have expanded their services to include financial coaching and to include assistance around the growing threat of identity theft.

### How much does it cost?

- 100% Employer paid: an average of \$5 - \$20 per month
- 100% Employee paid (voluntary): an average of \$10 - \$25 per month

### Informational link(s)

#### Pre-paid Legal Providers:

- [Hyatt Legal Plans](#)
- [ARAG Group](#)
- [Prepaid Plans](#)

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### Pros and cons

#### Pros

- Perceived high value
- No deductibles, waiting periods, or claim forms
- Legal resource for people who may not otherwise be able to obtain assistance

#### Cons

- Requires some additional employer administration
- Program should be clearly communicated to employees so all services are understood
- Many Employee Assistance Programs already include a telephone consultation with a lawyer and discounted pricing for follow-up visits

### Notes

- **Group legal plans are not qualified benefits for IRS Section 125 cafeteria plan purposes. Employees must pay for coverage with post-tax contributions.**
- Many Employee Assistance Programs offer group legal plans as optional riders.

This Fact Sheet is designed to provide a general overview of the benefit program, service, or regulatory act it describes. The information included in this document is not a substitute for legal or professional opinion relative to a plan sponsor's particular fact pattern. Your ArlenGroup consultant can answer more specific questions relative to its application for your organization. A menu of additional topics is available online at: [www.arlengroup.com/facts](http://www.arlengroup.com/facts).