

## 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. In addition family law services have also been extended to include adoption assistance and divorce proceedings.

## HOW MUCH DOES IT COST?

- 100% Employer paid: an average of \$5 - \$20 per month
- 100% Employee paid (voluntary): an average of \$10 - \$30 per month

## INFORMATIONAL LINK(S)

### PRE-PAID LEGAL PROVIDERS:

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

## 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.



*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.*