

Glossary – R

Regulators – This term includes DOL, IRS, EEC, SEC and HHS or comparable state agencies.

Revenue Act of 1978 – The Revenue Act of 1978 amended the Internal Revenue Code by requiring that self-funded medical reimbursement plans meet certain nondiscrimination standards in order for the prohibited group to receive favorable tax treatment. The law stressed the requirement that benefits shall not be greater for the HCIs than for the rank-and-file employees, nor shall key employees have greater opportunity to participate. Breadth of coverage must be met; either the qualified pension plan 70-80% coverage test or a classification test shall apply. Such HCIs include the five highest paid individuals, a 10% shareholder, or an employee among the highest 25% of all employees. Benefit integration with federal or state programs is permitted. A discriminatory plan will result in lost tax advantages to the highly compensated but will not affect the rank-and-file employees.

Robinson-Patman Act – This act is codified at 15 USC Section 13 and, while not technically considered an antitrust statute, prohibits price discrimination and mandates that two or more purchasers of a commodity from the same seller must be charged identical prices. There are exceptions to this mandate, however, such that the Act may be seen to prohibit only unjustified price differentiation. There are also jurisdictional limits to the Act. The courts have interpreted the Act so that all the sales in question must be in interstate commerce. “Robinson-Patman applies only to sales of commodities of like grade and quality and not to services; and only to goods sold for use, consumption or resale within the United States.” It does not apply to goods destined for export.