Summary Plan Description (SPD)

- Carrier/TPA Benefit Summaries alone typically don't comply with the SPD regulations even though they are sometimes called a Summary Plan Document.
- "Wrap Document" may be used to "wrap around" the benefit booklets to provide the additional information required to be compliant. Also, when multiple plans are wrapped together, only one Form 5500 must be filed.
- The employer cannot arbitrarily say that an SPD has number 501. It must be an ERISA document with an assigned number(s).

SPD Requirements

Distribution

- Provide the SPD:
  - Covered employees and retirees (generally doesn't include spouses or dependents).
  - COBRA qualified beneficiaries.
  - Qualified Beneficiaries under the plan.
- Distribution Timelines:
  - Provide the SPD within 90 days of coverage effective date.
  - Provide a copy of the SPD to a covered individual within 30 days of their request.
  - When ERISA plan is newly established, provide SPD within 120 days.
  - Provide interim notice or an updated SPD in the event of material plan modifications or reductions in benefits.
    - Summary of Material Modification (SMM): furnished within 210 days after the end of the plan year.
    - Summary of Material Reduction in Benefits (SMR): must be furnished within 60 days of the plan reducing benefits.
  - Provide an updated SPD at least every 5 years.
  - If there have been no material changes to the plan, then an SPD may be provided every 10 years.
- Distribution Methods:
  - First-class mail;
    - Second or third-class mail or equivalent with an address correction.
  - Hand-delivery of SPDs at the worksite; or
  - Electronically (must meet Electronic Delivery Safe Harbor rules).

The above is not an exhaustive list of Summary Plan Description rules and regulations.

General Content Requirements

- Plan Name.
- Plan Sponsor Contact Information.
- Employer Identification Number.
- Plan number.
  - Plan number is selected by the plan sponsor.
  - Plan numbers start at 501 for plans providing welfare benefits.
- Plan type.
- Plan Year.
- Funding Mechanism (i.e., fully-insured or self-funded).
- Contributions.
- Type of Plan Administration.
- Plan Administrator Information.
- Agent of Service of Legal Process.
- Plan Trustee Information (if applicable).
- Plan Eligibility and Benefits:
  - Eligibility: Clearly identify circumstances which may result in loss of coverage due disqualification, ineligibility, or denial of benefits in any way. Outline special enrollment rights and the extent group health plan eligibility is determined by the ACA's look back measurement methods if applicable.
  - Benefits: Description/summary of the available benefits that include cost-sharing provisions, including premiums, deductibles, coinsurance, and copay amounts for which the participant or beneficiary will be responsible. Group Health Plans have additional specific details that need to be included in addition to what is stated above.
- Administrative Permissions and Participant Rights.
- Claims Procedures.
- COBRA or State Continuation rights and obligations.
- Qualified Medical Child Support Order (QMCSO) Procedures.
- Statement of ERISA Rights.
- Grandfathered Status (if applicable).
- Primary Care Provider Designation Statement.
- Newborns and Mothers Health Protection Act (NMHPA).
- Women Health and Cancer Rights Act (WHCRA).
- Michelle's Law (WHCRA) (limited applicability).
- FMLA (optional).
- USERRA (optional).
- HIPAA Privacy and Security (optional).

The information provided herein is intended to be a summary of the subject matter and is not an exhaustive analysis. This information is subject to change as guidance develops.
My Benefit Advisor does not provide legal or tax advice. You should not act or rely on any information contained herein without seeking the advice of an attorney or tax professional.