Health and Welfare Plans

Notifying participants and beneficiaries about your employee benefits is an important part of compliance and getting the most out of your benefits by ensuring employees know what their options are. We have outlined in the advisory below what disclosures and notices are required, who needs to receive them, and when to send them out. It does not include documents that are filed with governmental entities, such as Form 5500 or documents and notices that are rarely distributed (such as the plan document) or have very complicated requirements (such as medical support orders). Many of these disclosures and notices are prepared or sent out (or both) by your service providers. Contact Varnum for assistance with those requirements.

Summary Plan Description (SPD)

When to Give it

- Within 30 days of receiving a written request

- Within 90 days of an employee becoming a participant

- Within 90 days of a beneficiary receiving a benefit, if the beneficiary has not yet received an SPD

- Within 120 days after the adoption of a new plan

- The earlier of every five years for an amended plan and ten years for a plan that has not been amended

Who to Give it to

- Participants

- Beneficiaries receiving benefits

What it is

An accurate and readily understandable summary of the key terms, rights, features, and benefits of the plan.

Summary of Material Modifications (SMM)

When to Give it

- Within 210 days after the end of the plan year in which the plan is materially amended

Who to Give it to

- Participants

- Beneficiaries receiving benefits

What it is

A summary of the changes made to an existing plan.

Summary Annual Report (SAR)

When to Give it
- The later of nine months after the end of the plan year or two months after the Form 5500 is due (including extensions)

Who to Give it to
- Participants

- Beneficiaries receiving benefits

What it is
A narrative summary of the key information included in the Form 5500.

Explanation of Benefits (EOB)

When to Give it
- Varies depending on the type of claim

Who to Give it to
- Any individual making a claim for benefits

What it is
A summary of the claim decision.

Summary of Material Reduction in Covered Services or Benefits

When to Give it
- Within 60 days of adopting the material reduction

Who to Give it to
- Participants

What it is
A summary of any change to information that would be in an SPD and is also a material reduction in services or benefits.

COBRA General Notice

When to Give it
- When an individual's health insurance starts

Who to Give it to
- Those receiving health insurance

What it is
Information about when and how health benefits can be extended or continued when eligibility ceases.

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COBRA Election Notice

When to Give it
- Within 14 days after the employer notifies the plan administrator that eligibility for benefits has stopped (within 44 days where the employer is also the plan administrator)

Who to Give it to
- Those eligible to make a COBRA election because of a qualifying event resulting in loss of coverage

What it is
A summary of how to make a COBRA election and other alternatives, such as the Health Insurance Marketplace.

COBRA Unavailability Notice

When to Give it
- Within 14 days of being informed of the potential qualifying event

Who to Give it to
- The individual who notifies the plan administrator of a potential qualifying event

What it is
An explanation that the individual is not eligible for COBRA continuation coverage and why.

COBRA Early Termination Notice

When to Give it
- As soon as practical after determining COBRA continuation coverage should terminate early

Who to Give it to
- Those whose COBRA continuation coverage will be ending early

What it is
An explanation of why the COBRA continuation coverage is terminating early.

Special Enrollment Rights Notice

When to Give it
- Before or at the time the individual is eligible to enroll in plan benefits

Who to Give it to
- Employees eligible for health benefits

What it is
Information about the 30-day period in which to enroll if the employee experiences an event permitting special enrollment.

Health and Welfare Plans

CHIPRA Notice

When to Give it
- Annually

Who to Give it to
- All employees

What it is
A list of state assistance options for health insurance.

Women's Health and Cancer Rights Act (WHCRA) Notice

When to Give it
- When first providing health benefits
- Annually

Who to Give it to
- Participants

What it is
A summary of the mastectomy-related benefits provided by the plan.

Mental Health Parity and Addiction Equity Act (MHPAEA) Criteria for Medically Necessary Determination Notice

When to Give it
- Upon request

Who to Give it to
- Participants
- Eligible employees
- Beneficiaries
- Providers

What it is
A summary of the requirements for medically necessary determinations.

MHPAEA Claim Denial Notice

When to Give it
- Upon request
- When required by other laws

Who to Give it to
- Participants
- Beneficiaries

What it is
An explanation of any denial of reimbursement or payment for benefits covered by MHPAEA.

MHPAEA Increased Cost Exception Notice

When to Give it
- When a cost exception is being used

Who to Give it to
- Participants
- Beneficiaries
- DOL
- State agencies

What it is
A summary of the increased costs and statement that an exception to mental health parity is being applied to benefit payments.

Summary of Benefits and Coverage (SBC)

When to Give it
- Annually with open enrollment
- Within 90 days of when an individual first enrolls in the plan
- Within 7 days of a request

Who to Give it to
- Participants
- Beneficiaries

What it is
A summary of key terms used by the plan and the coverage provided by the plan.

Notice of Modification to Summary of Benefits and Coverage (SBC)

When to Give it
- Within 60 days before the change will be effective

Who to Give it to
- Participants
- Beneficiaries

What it is
A summary of changes made to terms or coverage described in an SBC.

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Claims and Appeals Review Notice

When to Give it
- Depends on the type of claim and review process being done

Who to Give it to
- Claimant

What it is
Information about the denial of a claim for benefits, including the process, appeal rights and other key features.

Notice of Coverage Options

When to Give it
- Upon hiring a new employee

Who to Give it to
- Any employee who is hired, regardless of hours worked or eligibility for health benefits

What it is
Information about the availability of marketplaces for health insurance, associated credits, and the impacts on credits of electing employer-provided coverage.

Individual Coverage Health Reimbursement Arrangement (ICHRA)

When to Give it
- When an employee is first eligible to participate
- At least 90 days before the beginning of the plan year

Who to Give it to
- Participants

What it is
A summary of what an ICHRA is, the availability of marketplaces for health insurance, explanation that tax credits are sometimes available and that participating in an ICHRA could impact tax credit availability.

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Transparency in Coverage Notice

When to Give it
- Annually

Who to Give it to
- Participants
- Beneficiaries

What it is
A comparison tool for the total cost of health services and the portion the individual will be responsible for paying.

W2

When to Give it
- Annually by January 31st

Who to Give it to
- All employees

What it is
In additional to reporting income, contributions and benefits should be reported on this form.

1095

When to Give it
- Annually by March 1st

Who to Give it to
- All employees working 30 or more hours per week.

What it is
This provides an overview of Affordable Care Act (ACA) compliance for use by the employee in filing their personal taxes.

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