

## **BASIC Wrap SPD Document Requirements:**

Group insurance Certificates of Insurance are typically not SPDs because they do not contain all of the language required by ERISA. An employer should consider preparing an ERISA "Wrap SPD/Plan Document".

The Summary Plan Description, or SPD, is the main vehicle for communicating plan rights and obligations to participants and beneficiaries. The SPD is a summary of the material provisions of the Plan Document, which is understandable to the average participant of the employer. In the context of health & welfare plans the SPD will be all inclusive and serve as the SPD and Plan Document.

NOTE: An insurance company's master contract, certificate of coverage, or summary of benefits is not a Plan Document or SPD.

An SPD must contain, or reference other documents that contain the following information:

- The Plan name
- The Plan Sponsor/employer's name and address
- The Plan Sponsor's EIN
- The Plan Administrator's name, address, and phone number
- Designation of any Named Fiduciaries, if other than the Plan Administrator, e.g., Claim Fiduciary
- The Plan number for ERISA Form 5500 purposes, e.g., 501, 502, 503, etc.
- Type of Plan or brief description of benefits, e.g., life, medical, dental, disability
- The date of the end of the Plan Year for maintaining Plan's fiscal records (which may be different than the insurance policy year)
- Each Trustee's name, title, and address of principal place of business, if the Plan has a Trust
- The name and address of the Plan's agent for service of legal process, along with a statement that service may be made on a Plan Trustee or Administrator
- The type of Plan administration, e.g., administered by contract, insurer, or Sponsor
- Eligibility terms, e.g., classes of eligible employees, employment waiting period, and hours per week, and the effective date of participation, e.g., next day or first of month following satisfaction of eligibility waiting period

- How insurer refunds (e.g., dividends, demutualization, and medical loss ratio (MLR) refunds) are allocated to Participants. Note: This is important to obtain the small Plan (<100 Participants) exception for filing Form 5500.
- Plan Sponsor's amendment and termination rights and procedures, and what happens to Plan assets, if any, in the event of Plan termination
- Summary of any Plan provisions governing the benefits, rights, and obligations of Participants under the Plan on termination or amendment of Plan or elimination of benefits
- Summary of any Plan provisions governing the allocation and disposition of assets upon Plan termination
- Claims procedures—may be furnished separately in a Certificate of Coverage, provided that the SPD explains that claims procedures are furnished automatically, without charge, in the separate document
- A statement clearly identifying circumstances that may result in loss or denial of benefits
- The standard of review for benefit decisions
- ERISA model statement of Participants' rights
- The sources of Plan contributions, whether from employer and/or employee contributions, and the method they are calculated
- Interim Summary of Material Modifications since the SPD was adopted or last restated
- The fact that the employer is a participating employer or a member of a controlled group
- Whether the Plan is maintained pursuant to one or more collective bargaining agreements, and that a copy of the agreement may be obtained upon request
- A prominent offer of assistance in a non-English language (depending on the number of participants who are literate in the same non-English language)
- Identity of insurer(s), if any
- Additional requirements for Group Health Plan SPDs:
  - Detailed description of Plan provisions and exclusions. A link to network providers should also be provided. Plan limits, exceptions, and restrictions must be conspicuous.
  - Information regarding COBRA, HIPAA, and other federal mandates such as Women's Health Cancer Rights Act, preexisting condition exclusion, special enrollment rules, mental health parity, and coverage for adopted children, Qualified Medical Support Orders, and minimum hospital stays following childbirth.
  - Name and address of health insurer(s), if any

- Description of the role of health insurers (i.e., whether the Plan is insured by an insurance company or the insurance company is merely providing administrative services)

Recommended, but not required in an SPD:

- For insured arrangements, attach the Summary of Benefits provided by the insurance companies to help assure you have provided an understandable summary of the Coverage
- For self-insured arrangements, provide the name, address, and phone number of any Third Party Administrator (TPA) paying claims or benefits.
- Language that in the event there is a conflict between the Plan Document, and the SPD, which the document controls.