



Summary Plan Description And Notice Distribution Requirements

SPD - Every Plan Administrator of an employee benefit plan must ensure that there is a Summary Plan Description (“SPD”) and that it is distributed to the eligible participants under the plan.

Notices - Also, various notices are required to be issued under a number of different laws. These Notices should be issued each year as described below.

This is a brief guide to these requirements. We encourage you to contact us if you have any questions.

What do we need to distribute?

The Plan Administrator of each employee benefit plan has an obligation to furnish to the participants in a welfare benefits plan the SPD. For welfare plans, the administrator does not have to furnish this to the beneficiaries, only to the participants. Changes to the Plan are issued in the form of Summary of Material Modification (“SMM”) documents. Any SMM documents are distributed to participants as well.

If your participants have already received the certificates of insurance underlying the welfare plan, or welfare plan wrap, you do not need to resend them.

Summary:

SPD - Issue the SPD and any SMMs to each participant in the Plan. The SPD is generally good for five (5) years and does not have to be reissued. But, make sure it is also provided to each new employee or new participant. See below for more.

Notices – Issue each year to all participants.

When do we have to distribute the SPD and Notices?

The Plan Administrator is required under the regulations to issue the SPD to participants within ninety (90) days of becoming covered by the welfare plan. Many do so as part of the open enrollment package, or immediately when an employee is hired. Changes that are issued in the form of SMM are issued under two rules. Generally, the SMM must be issued no later than 210 days following the close of the plan year in which the change was made. However, if there is a material reduction in benefits, the SMM must be issued within sixty (60) days of that material reduction. Otherwise, SPDs are re-issued every five years if there are changes to the plan terms (which there always are).

Any time a participant or beneficiary requests a copy of the SPD, in writing, you must provide a copy of it within thirty (30) days.

Summary: Each Participant who has not received an SPD should have one issued to them within ninety (90) days of becoming covered.

With a new SPD, issue it within a reasonable time after receipt, but no later than 210 days after the end of the Plan Year.

For the Notices, issue them each year.

How do we issue and distribute the SPD and Notices?

The Plan Administrator must use methods that are likely to result in "full distribution" and are reasonably calculated to ensure "actual receipt" of the material by the plan participants in the welfare plan. In-hand delivery is always acceptable. Electronic distribution is also acceptable, when done by certain rules. When sending this by electronic means, there are three basic steps:

1. Apprise Participants: You should apprise individuals in the electronic communication of the significance of this document, and advise the person that they have a right to paper version of the SPD.
2. Ensure Distribution: You should ensure that when distribution is made to participants outside the workplace that:
 - a) The participants have the ability to "effectively access" documents furnished in electronic form at "any location" where the participant is reasonably expected to perform his or her duties as an employee, and
 - b) The Participants who are receiving it electronically from your system are participants for whom access to the employer's or plan sponsor's electronic information system is an integral part of those duties.
3. Obtain Consent to Electronic Delivery: The participant must consent to electronic delivery. This consent can be in electronic or non-electronic form and you should be sure to permit withdrawal of consent. When documents are furnished through the internet or other electronic communications network, you should advise the person:
 - a) of the need for them to affirmatively consent, or confirm consent electronically, in a manner that reasonably demonstrates the individual's ability to access information in the electronic form that will be used to provide the information that is the subject of the consent including the identity of the documents being provided;

- b) of their right to withdraw consent at any time without charge and the procedures for withdrawing consent, and for updating the address for receipt of electronically furnished documents, or other information;
- c) of the right to request and obtain a paper version of an electronically furnished document, including whether the paper version will be provided free of charge; and
- d) of any software or hardware requirements for accessing and retaining the documents to be provided electronically.

Summary:

SPD and Notices may be handed out in hard copy, along with paystubs, or by some other means. Make a note to the file, a memorandum to document when you did it and by what means.

Electronic means may be used, but follow the guidelines. A sample Electronic Notice is provided attached to this information. Obviously, electronic means only works when the employees have access to it.

Please see Sample Electronic Notice on Next Page

Electronic Notice

Dear Employee: You are receiving this email in connection with the Electronic Issuance of documents related to our Health and Welfare Plan. Consistent with our continual practice, we are providing plan-related information to you electronically.

Unless you notify us otherwise, we will continue to issue to you these documents electronically through our standard system.

Consent to Receive Electronic Notices and Disclosures

As the employee, you hereby acknowledge and agree, as represented by this consent to receive the following regarding the Health and Welfare Plan through our standard system:

1. The following documents and/or notices may be provided electronically:
 - Summary Plan Descriptions;
 - Summaries of Material Modifications;
 - Summary Annual Reports;
 - COBRA Notices;
 - HIPAA Certificates;
 - Summary of Benefits and Coverage; and
 - Notice of Health Insurance Exchanges.
2. You may revoke your consent at any time to these disclosures, without charge, by sending any communication to the Human Resources Department.
3. You are entitled to request and obtain a paper copy of any electronically furnished document free of charge by contacting the Human Resources Department.
4. In order to access information provided electronically, you are provided access in our workplace in the designated areas. If you have questions, please see Human Resources.

Please contact HR if you have any questions.