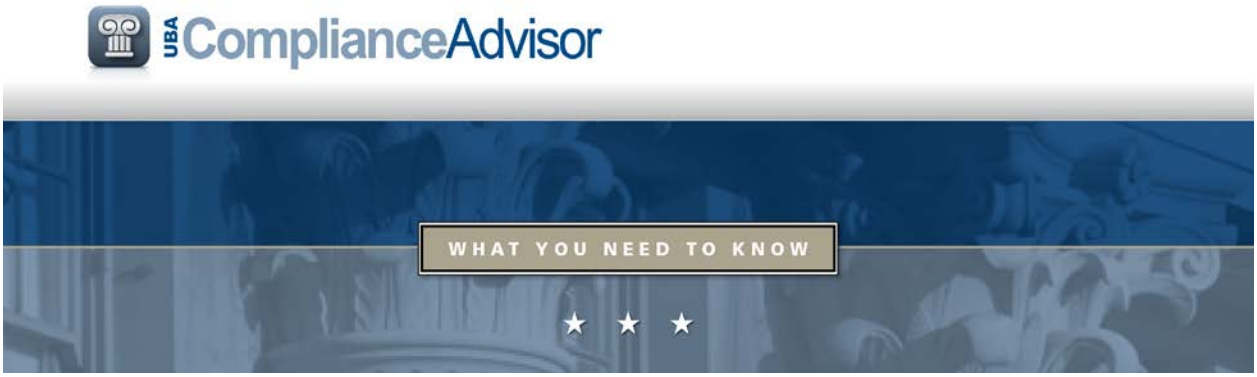

Plan Document and Wrap Plan Checklists

Plan Document

A plan document is the official governing document for the plan. The Employee Retirement Income Security Act of 1974 (ERISA) requires that it include the plan's terms for a number of items including eligibility, benefits, exclusions, a named fiduciary and plan administrator, claims and appeals procedures, funding information, and other items. In most situations, a group insurance policy or certificate will not include all of the required information and so will not qualify as a plan document.

Summary Plan Description (SPD)

An SPD is the document provided to participants to explain their rights and obligations under the plan. It is intended to provide a summary of the plan's terms and should be written in a way the average participant can understand it. However, it has become increasingly common for plans to use a combination plan document/SPD and most Department of Labor (DOL) offices permit this. (If the plan document and SPD are separate and the participant requests a copy of the plan document, the plan sponsor must provide the plan document within 30 days after it is requested, even though an SPD has already been provided.) The group insurance policy or certificate is not an SPD.

Wrap and Mega-Wrap

A wrap document is a plan document, or a combination plan document/SPD, that is designed to include all of the information required by ERISA. This is achieved by combining the information included in the insurance policy or certificate and additional information required by ERISA. The wrap document "wraps" the ERISA requirements into the insurance policy.

Many employers use a wrap document that includes all or most of their group benefits, like medical, dental, and life benefits. This is sometimes called a "mega-wrap" or umbrella document. Mega-wraps then serve to both combine multiple benefits into a single plan, and to provide ERISA requirements to the insurance policies. All of the policies within a mega-wrap should have the same plan or policy year.

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Confusion

ERISA is not specific about what constitutes a plan document. Because many ERISA plans are fully insured and therefore have certificates of coverage, benefit booklets, and other insurance company documents, this can add to the confusion over what the plan's documents are. Furthermore, many ERISA plans are governed by a single document, which is sometimes called an SPD and given to plan participants. This is acceptable so long as the single document complies with both ERISA requirements and applicable SPD format and content rules. Employers should be aware that some professionals argue that a combined document is unacceptable because an SPD is a summary, and a document can't summarize itself. Employers should determine which course of action is right for them and their benefit plan or plans.

Following are two checklists of the necessary components that should be included in plan documents and SPDs.

7/12/2016

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Plan Document Provisions

- ☐ Original plan date
- ☐ Restatement date
- ☐ Supersedes prior
- ☐ Employee definition, including the number of hours an employee must work
- ☐ Dependent definition
- ☐ Proof of dependent eligibility – what may be required
- ☐ Waiting period
- ☐ Coverage effective date
- ☐ Open enrollment
- ☐ Special enrollment
- ☐ Rehire rules
- ☐ Coverage termination date
- ☐ Contributions
- ☐ Consolidated Omnibus Budget Reconciliation Act (COBRA) provisions
- ☐ Other continuation (besides Family Medical Leave Act, Uniformed Services Employment and Reemployment Rights Act)
- ☐ Rescission of coverage
- ☐ Medicare Secondary Payer
- ☐ Subrogation terms
- ☐ Erroneous payments
- ☐ Section 125 of the Internal Revenue Code discrimination
- ☐ Payment plan expenses
- ☐ Administration
- ☐ Delegation
- ☐ Named Fiduciary and duties
- ☐ HIPAA privacy and security
- ☐ Funding
- ☐ Amending plan
- ☐ Terminating plan
- ☐ No guarantee of employment
- ☐ No guarantee of tax consequences
- ☐ Construction/governing law
- ☐ Indemnification
- ☐ Medicaid eligibility
- ☐ Conformity to applicable laws
- ☐ Non-assignment of benefits
- ☐ Appointment of personal representative
- ☐ Discretionary authority to interpret
- ☐ What is incorporated by reference
- ☐ Precedence if conflict between documents
- ☐ Supports participating employer arrangement
- ☐ Indemnification
- ☐ Use of Medical Loss Ratio
- ☐ Signature

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SPD Provisions

- ☐ Plan name (and plan's common name, if different than plan name)
- ☐ Employer name and address
- ☐ Plan sponsor's Employer Identification Number
- ☐ Plan number
- ☐ Type of plan
- ☐ Type of plan administration
- ☐ Plan administrator's name and address
- ☐ Trustee name, title, and address if a trust exists
- ☐ Responsible party for payment
- ☐ Name and address of agent for legal service
- ☐ Statement that service of legal process may be made upon the plan trustee or administrator
- ☐ Any collective bargaining agreement
- ☐ Identity of insurer(s), if any
- ☐ Plan year
- ☐ Date of the end of the plan year for maintaining the plan's fiscal records
- ☐ Plan records period
- ☐ Plan eligibility (Applicable Large Employers should include information regarding their method of tracking hours)
- ☐ Carriers'/TPAs' name and address
- ☐ ERISA Rights statement
- ☐ Offer of language assistance if large non-English group
- ☐ Qualified Medical Child Support Orders procedures on request
- ☐ Minimum hospital stay after childbirth
- ☐ Grandfathered statement, if applicable
- ☐ Sources of contribution to the plan and method by which the amount of contribution is calculated
- ☐ Identity of any funding medium used for the accumulation of assets through which benefits are provided
- ☐ Claims filing/appeals
- ☐ Benefits/exclusions, network, utilization management
- ☐ What's included in the plan
- ☐ Effective date
- ☐ Loss of benefits
- ☐ Change in status rules
- ☐ Wellness alternative means statement
- ☐ Continuation/conversion

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