Kilpatrick

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Additional SBC Guidance

This afternoon the agencies released additional SBC guidance aimed at easing the compliance burden for group health plans. Some of the key highlights of this new guidance include:

1. Good Faith Standard. Rather than delaying the requirements for one year, the agencies adopted a good faith compliance standard for 2013.

2. Dependent Tiers. As noted in our prior Legal Alert, the final regulations were unclear regarding whether an SBC was required for each dependent tier. The new guidance confirmed that a separate SBC is not required for each dependent tier.

3. SBCs Distributed with Open Enrollment Materials. Also, as noted in our Legal Alert, the final regulations suggested that SBCs must be issued with open enrollment materials. The new guidance confirms that in most situations SBCs must be issued with open enrollment materials. However, if elections rollover, and the participant has no ability to change elections, SBC are due 30 days prior to the beginning of the plan year - e.g., December 1st for calendar year plans.

4. Flexible Language. THe new gudiance relaxs the requirments around seperate prescription drug benefits, HSA contributions and HRA contributions.

5. Foreign Language Requirements. The new guidance provides additional information regarding how the foreign language requirements apply to SBCs.

The new guidance can be found at http://www.dol.gov/ebsa/faqs/faq-aca8.html.