

New Regulations Proposed for Summary of Benefits and Coverage

On Dec. 22, 2014, the U.S. Departments of Health and Human Services, Labor and the Treasury (Departments) released [proposed regulations](#) regarding the summary of benefits and coverage (SBC). The proposed regulations would amend the [final SBC regulations](#) from Feb. 14, 2012.

Also released were a proposed SBC template, instructions, uniform glossary and other materials. According to the Departments, the proposed changes are designed to improve consumers' access to important health plan information, as well as to provide clarifications that will make it easier for group health plans and health insurance issuers to comply with the SBC requirement.

Overall, the proposed modifications would:

- Clarify when and how a plan or issuer must provide an SBC;
- Streamline and shorten the SBC template;
- Add certain elements to the SBC template that the Departments believe will be useful to consumers.

The new template, instructions and supplementary materials are available on the DOL's [website](#) under the heading "Templates, Instructions, and Related Materials – Proposed (SBCs On or After 9/15/15)."

In addition, the proposed regulations would make some of the SBC enforcement safe harbors and transitions permanent, with several modifications.

The Departments invite interested parties to submit comments on the proposed regulations and documents required for compliance (including the template, instructions, sample language, coverage example calculators and the uniform glossary).

If the proposed regulations are finalized, the Departments expect the new requirements for the SBC and uniform glossary would apply to coverage that begins on or after **Sept. 1, 2015**.

DID YOU KNOW?

Final regulations for the "myRA" (my retirement account) became effective in December 2014. First unveiled by President Obama in his 2014 State of the Union address, the myRA is a new, employer-sponsored retirement savings plan.

Under the new details, the Department of the Treasury will provide myRA participants with a new nonmarketable, electronic savings bond. A myRA can never depreciate, and it has a maximum balance limitation of \$15,000 or 30 years of participation.

By providing a principal-protected investment, myRAs can be a great way to promote retirement savings with no employer contributions and minimal administration, particularly to employees who don't qualify for a standard employer-sponsored plan.

DOL Audit Warning Signs

The Department of Labor's (DOL) Employee Benefits Security Administration (EBSA) has the authority to conduct audits on benefit plans that are governed by the Employee Retirement Income Security Act (ERISA).

Common triggers for a DOL audit include these preventable causes:

- Participant complaints. If any participants complain to the DOL about potential ERISA violations, their company's plan will likely be subjected to an audit.
- Incomplete or inconsistent information. Audits are more likely if Form 5500 is not filled out in its entirety, or if information is inconsistent from year to year.

Additionally, the DOL is prioritizing audits in specific areas, including major case enforcements and delinquent employee contributions.

For information on avoiding or surviving a DOL audit, contact Brown & Brown Benefit Advisors today.