



ERISA Wrap Documents

Employer-sponsored benefit plans are required to ensure that their employees participating in a group health plan are provided with the most important facts about their benefits, rights and obligations under the plan. The federal Employee Retirement Income Security Act (ERISA) requires the employer sponsoring benefit plans to furnish a Summary Plan Description (SPD). The SPD contains important disclosures and other information about the plan in understandable terms. Unfortunately, most benefit summaries, certificate of coverage, benefit booklets and other documents provided by insurance carriers to plan participants do NOT satisfy ERISA requirements. The ERISA Wrap Document is the solution to maintain compliance with ERISA law.

What is an ERISA Wrap Document?

Employers are required to have an SPD prepared for each benefit they offer. The ERISA (SPD) Wrap Document supplements existing documentation and includes required ERISA provisions and recommended information to “wrap” around the insurance policies, benefit summaries and other governing documents for each fully insured or self-funded plan option. The Wrap Document and other governing documents collectively comprise the one and complete plan document.

Why do you need an ERISA Wrap Document?

The Wrap Document is the main ERISA, Department of Labor, and Affordable Care Act mandated vehicle for communicating plan rights and obligations to participants and beneficiaries.—simply, it is required! Despite what many business owners believe, all companies are at risk for an audit, including small employers. Employers can be charged a penalty of \$156 per day for failing to provide a Wrap Document to employees. Employees also have the right to file a lawsuit against an employer if certain plan disclosures are not met.

What Benefit Programs does the Wrap Document cover?

The ERISA Wrap Document is very flexible and accommodates a wide range of benefit programs. Specifically, the document can “wrap around” the Health Benefit Programs and Fully Insured Benefit Programs listed below. The Wrap Document offers the flexibility to include “other health benefits” or “other fully insured benefits,” – the options are virtually limitless.

Health Benefit Programs:

- Medical
- Dental
- Vision
- Health Flexible Spending Arrangement
- Health Reimbursement Arrangement
- Prescription Drug Plan (if separate from Medical)

Fully Insured Benefit Programs:

- Short Term Disability
- Long Term Disability
- Group Term Life Insurance
- Voluntary Term Life Insurance
- Accidental Death & Dismemberment

Contact BBP Admin for all of your ERISA Wrap Documents

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