

ACA Requires Employers to Provide Wrap SPD Plan Document for Group Health Insurance Plans or Pay Huge Fines

An ERISA Wrap SPD compliance and plan design expert with 27 years of experience is standing by to help employers with FREE Wrap SPD design consulting.

BRADENTON, FLORIDA, UNITED STATES, August 22, 2024 /EINPresswire.com/ -- The Affordable Care Act (ACA) added many new employee notification requirements for all employer-sponsored group health insurance plans. As of January 1, 2014, all employers must provide plan participants with an [ERISA Wrap Summary Plan Description \(SPD\) plan document](#).*

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Gene Ennis

The ERISA [Wrap SPD](#) requirement has existed for years. However, it wasn't until the ACA added several new employee notification requirements and stiff new \$110 per day fines for non-compliance that most employers became aware of and motivated to meet the requirement. The requirement for the Wrap SPD now applies to all employer-sponsored group health insurance offerings, including a one-person plan.

This new addition to the ACA aims to improve transparency and ensure employees have access to important information about their health insurance coverage. The insurance carrier does not provide the Wrap SPD and the insurance documents do not constitute a proper Wrap SPD.

The Wrap SPD plan document is a summary plan description that outlines the key features of an employer's group health insurance plan. It includes details such as coverage options, costs, and eligibility requirements. This document is crucial for employees to understand their benefits and make informed decisions about their healthcare. Failure to provide this document can result in a hefty fine of \$110 per day for employers.

The Department of Labor and the Affordable Care Act have placed a strong emphasis on this requirement by imposing a significant penalty for non-compliance. This move aims to hold employers accountable for providing their employees with the necessary information about their

health insurance coverage. The Wrap SPD plan document is just one of the many employer notification requirements added by the ACA to ensure that employees have access to comprehensive and transparent healthcare coverage.

Employers are advised to take immediate action to comply with this requirement to avoid facing penalties. The Department of Labor has provided resources and guidance to assist employers in creating and distributing the Wrap SPD plan document. Employers can also seek affordable assistance from [Core Documents](#) to ensure that they are in compliance with ERISA and ACA regulations.

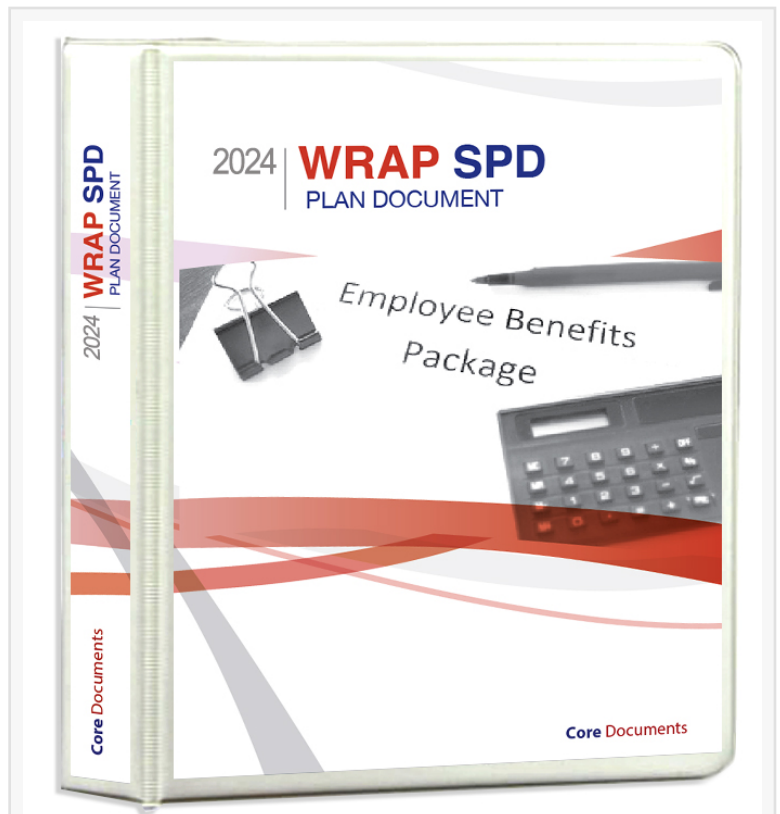
In conclusion, the ACA's addition of the Wrap SPD plan document requirement is a significant step towards improving transparency and accessibility of healthcare coverage for employees. Employers must take the necessary steps to comply with this new requirement to avoid facing penalties. Employees can now have peace of mind knowing that they have access to all the necessary information about their health insurance coverage.

Core Documents works directly with employers, insurance agents, accountants, attorneys, payroll companies, and CPAs with Wrap SPD document compliance, training, and plan design services free of charge.

The owner of Core Documents, Gene Ennis, has almost 40 years of experience in the employee benefits industry. He's held Certification in Flexible Compensation (CFC), a 218 life and health insurance license, a third-party administrator's (TPA) license, where he administered millions of dollars in ERISA self-funded health plans, a Professional Employer Organization (PEO) license, and a PEO Controlling Person's license, administering payroll and benefits for 500 worksite employees.

He has owned and operated Core Documents since 1997. During that time, he has custom-designed and implemented over 70,000 HRA, Section 125, and Wrap SPD plans for clients all over the United States.

* DOL Reporting and Disclosure Reference Links:



The ERISA Wrap SPD plan document is required for every Employer Group Health Insurance Plan.

1) DOL Reporting and Disclosure Guide for Employee Benefit Plans at:

<https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/reporting-and-disclosure-guide-for-employee-benefit-plans.pdf>

2) DOL Group Health Plan General Compliance at:

<https://www.dol.gov/agencies/ebsa/employers-and-advisers/plan-administration-and-compliance/health-plans>

3) Cornell Law - 29 CFR § 2520.102-3 - Contents of summary plan description.

<https://www.law.cornell.edu/cfr/text/29/2520.102-3>

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