

**2017 Advisory Council on Employee Welfare and Pension Benefit Plans  
Reducing the Burden and Increasing the Effectiveness of Mandated Disclosures  
with respect to Employment-Based Health Benefit Plans in the Private Sector**

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*Description of Issue:*

The Employee Benefits Security Administration has asked the Council to consider ways in which the regulatory cost of mandated disclosures could be reduced while simultaneously satisfying the objectives of the disclosures and improving the usefulness of such disclosures where possible. This issue focuses on employment-based health benefit plans.

The Council intends to differ from but build on the reports of prior Council reports:

2005 – Health and Welfare Benefit Plans’ Communications: ERISA Requirements, Employers’ Compliance, and Participants’ Utility

2009 – Promoting Retirement Literacy and Security by Streamlining Disclosures to Participants and Beneficiaries.

In prior reports, recommendations were generated from witness testimony. In the 2017 Council’s report, we will present the Council’s analysis of specific proposed modifications to the disclosure requirements proffered by both the Council and witnesses, based on the witnesses’ testimony and their responses to the Council’s questions. The Council will focus on regulations exclusively within the jurisdiction of the Department of Labor, rather than disclosures within the joint purview of DOL and other regulatory bodies

The analysis will consider testimony gathered from communication experts, plan sponsors, and participant representatives as to the proposed changes and the impact such changes would have regarding the cost burden on plan sponsors and whether the mandated notices provide valuable information to participants and beneficiaries. Our objective is to reach conclusions specifically related to proffered proposals, and through this process develop protocols for evaluating other ideas for reducing the burdens and increasing the effectiveness of other mandatory disclosures.

At the outset we will ask for responses to three proposals: (1) the elimination of the Summary Annual Report requirement for health benefit plans not already exempt, (2) the consolidation of each of the various annual notices into a single annual notice issued in a standard format, and (3) the modification of the Summary Plan Description requirements to allow a short resource reference tool updated annually. This tool would guide participants and beneficiaries to source materials to answer any questions regarding the plan’s contents, their rights, and additional important information.

The Council sees its efforts as consistent with, though not directly responsive to, the Executive Order issued by the President on January 30, 2017 regarding reducing regulation and controlling regulatory costs.