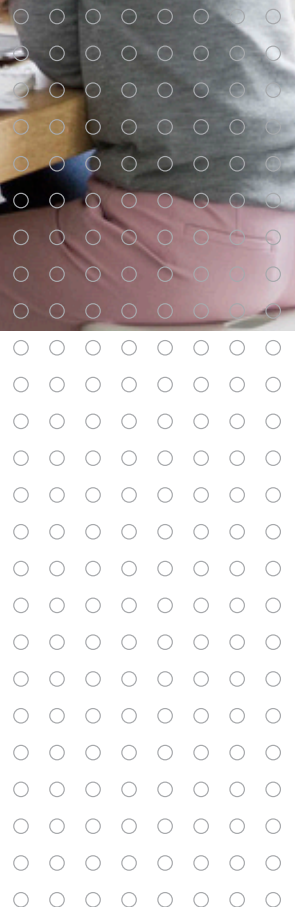




Checklist:

# Open Enrollment Compliance

Let's prepare for a compliant and stress-free enrollment season.



# Open Enrollment Compliance Checklist



To help you prepare for open enrollment season, HUB International presents the following questions to assist with your compliance obligations.

Need additional help? [Contact us](#) for a complimentary review of your benefit plan and you'll be well-prepared for open enrollment.

## ☐ **Have we developed an open enrollment communication strategy?**

Identify recipients of enrollment materials, note any variations in materials (e.g., language requirements), and ensure appropriate means of delivery. ERISA has specific rules regarding the delivery and distribution of ERISA documents and notices, including specific rules on electronic delivery (email, etc.). HUB clients can work with their Compliance Officer to ensure they are following the rules.

## ☐ **Are we distributing a Summary of Benefits Coverage (SBC) Notice?**

An SBC is a 4-page (front and back) short summary of a plan's terms that meets specific formatting rules. Employers are required to provide each employee and COBRA beneficiaries with the SBC generally before each plan year. Insurance carriers and/or TPAs will usually provide the SBC.

## ☐ **Do we have a clear statement of our cafeteria or flex plan benefits and rules?**

Be sure that your employee benefits communication pieces clearly identify the pre-tax benefits and rules regarding coverage changes (for example, qualifying events).

## ☐ **Have we recently distributed Summary Plan Descriptions (SPDs)?**

An SPD is a summary of the plan's terms in plain language for participants. ERISA requires that employers provide employees and COBRA beneficiaries with a SPD: (1) at the time they become newly eligible; (2) within 30-days of request; and (3) generally, every five years. Open enrollment is a perfect time to ensure that employees have received the SPD or a shorter summary of any plan changes since the last SPD was distributed.

## ☐ **Are we distributing all other required compliance notices?**

Along with the SPD, ERISA and other federal laws, such as the Affordable Care Act and HIPAA, require the distribution of certain notices to employees and COBRA beneficiaries each year. Open enrollment provides an ideal opportunity to distribute these notices. HUB provides its clients with an Employee Benefits Notices and Forms Kit that includes the various federal notices.

☐ **Are we making the CMS-required disclosures regarding our prescription drug benefits?**

Employers have two Centers for Medicare & Medicaid Services (CMS) obligations each year. First, employers must distribute to participants (including COBRA beneficiaries) the Medicare Part D Creditable Coverage (OR Non-Creditable-Coverage) Notice on or by October 15th. Second, employers must disclose creditable coverage status to CMS using the online Disclosure to CMS Form within 60 days after the beginning date of the plan year.

☐ **If we have voluntary benefits, are they exempt from ERISA (or, instead, do they comply with ERISA)?**

ERISA regulations apply to virtually all group health & welfare plans, often including voluntary benefits (such as cancer and hospital indemnity plans, among others). However, when carefully designed, voluntary benefits can be exempt from ERISA. The rules for keeping these benefits exempt from ERISA are very specific. Employers that want to rely on them must design the voluntary programs accordingly. HUB advisors and Compliance Officers work closely with clients to ensure that their voluntary programs are operated in compliance with the applicable rules.

☐ **If applicable, have all eligible employees received a complete wellness program description along with the required notices?**

Federal agencies have issued a significant number of rules governing employer-provided wellness programs. For example, the Equal Employment Opportunity Commission (EEOC) requires employers to clearly inform employees what medical information will be obtained, how it will be used, who will receive it and how it will be kept confidential. Additionally, some wellness programs are required to offer a “reasonable alternative” to the wellness goal and require a notice that the reasonable alternative is available.

☐ **For the ACA employer mandate, what’s our obligation and are we meeting it?**

The Employer Mandate generally applies to businesses that had 50 or more full-time equivalent employees in the prior year, called “Applicable Large Employers” (ALEs). ALEs will pay tax penalty if they do not offer health insurance coverage that meets certain requirements to at least 95% of their full-time employees and dependent children up to the age 26. “Full-time” for this purpose generally means working 30 hours per week.

Since the requirement is to offer coverage, it’s best to have a signed written or electronic record that coverage was offered, even if an employee declines. Open enrollment is typically the time when this proof is easiest to obtain.

Additionally, employers should track the hours of employees who have variable or part-time schedules that could become full-time. If these employees become full-time, they need to be offered coverage at open enrollment. The rules provide a lookback measurement period to figure out if these employees are full-time.

☐ **Are we up-to-date on our required ACA reporting and IRS filings, if these apply?**

Applicable Large Employers are also required to complete and file designated IRS forms to report on the coverage offered to full-time employees for a calendar year. Reporting for each calendar year is supposed to begin with an employee statement which must be distributed by March 2 (March 1 in leap years) of the following year. Paper filings with the IRS are due by February 28 and eFiling by March 31. Be sure to use the most current forms.

For self-insured employers, Social Security Numbers or Individual Taxpayer ID Numbers are required for reporting of the coverage for each employee and all spouses and dependents. This information should be requested at Open Enrollment. If it is not obtained then, there is a specific process to go through for requesting SSNs or ITINs.

☐ **Do we have a multi-year benefits strategy to manage costs, ensure compliance, and boost employee engagement?**

Your employee benefits plan is likely one of your organization's largest expenses and one of your most important for attracting and retaining employees. Having a year-to-year planning process is not enough. HUB International can help you develop a long-term, detailed strategy that encompasses the next three to five years.

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**Let's work together to develop a compliance strategy that's optimized for your business.**

**[Contact a HUB Advisor](#)**



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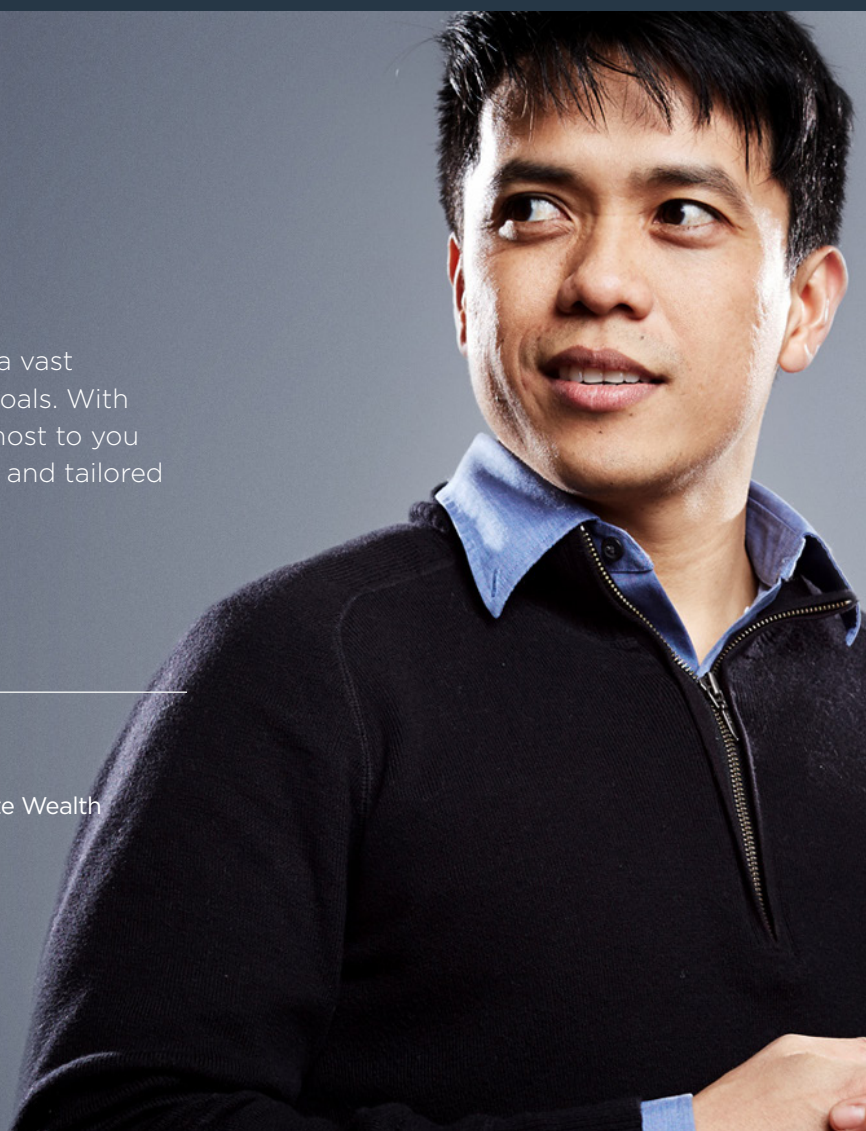
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