SPBA Testifies at U.S. Department of Labor’s ERISA Advisory Council Hearing

The Society of Professional Benefit Administrators (SPBA) testified at an ERISA Advisory Council hearing earlier this month. The group representing SPBA shared thoughts on streamlining and improving the effectiveness of currently mandated disclosures, summary plan descriptions (SPDs) and other documents and reporting related to employer-based health plans.

Chevy Chase, MD (PRWEB) June 29, 2017 -- On June 6, the Society of Professional Benefit Administrators (SPBA) testified before the U.S. Department of Labor (DOL) and its ERISA Advisory Council.

SPBA members spoke at the hearing to share their insights as third party administrators (TPAs) on reducing the burden and increasing the effectiveness of disclosure and reporting requirements related to employer-based health plans in the private sector.

Among those representing SPBA were Vice Chairman Kevin Schlotman of Benovation, Active Past Chairman Sandy Walters of Kelly & Associates and SPBA member Linda Duvall of Associated Administrators.

Issues discussed included current disclosure requirements and the potential for consolidating various annual notices into one, as well as restructuring the Summary Plan Description (SPD) into a shorter report updated on a yearly basis. The value of distributing the Summary Annual Report (SAR) was also reviewed.

Anne Lennan, SPBA president, said that the organization is often asked to be part of regulatory conversations like these that focus on the future direction of employee benefits and health plans. “Many agencies come to SPBA for input as we are a non-partisan association that has broad perspective since our TPA members administer health plans on behalf of such a wide range of employers,” she explained.

At the hearing, Schlotman, Walters and Duvall shared their support for modifying SPDs to a shorter format that can be updated on an annual basis as a means for making these documents more understandable and user-friendly. This included the suggestion to move to a digital version of SPDs as a less expensive way to produce and easier way to distribute.

The group representing SPBA also explained situations where plan sponsors have difficulty maintaining the burden of multiple deadlines required for mandated disclosures. They added that it would be helpful for both plan sponsors and participants to have information shared in one document instead of receiving in multiple updates throughout the year. It was also recommended to eliminate the Summary Annual Report (SAR) and consolidate this information into another document.

“Our TPA members were able to provide some valuable input since they work directly with clients to coordinate mandated disclosures and SPDs on a regular basis,” Lennan said. “SPBA appreciates the opportunity to participate in this type of dialogue and help shape policymaking.”

The ERISA Advisory Council will hear additional testimony on these topics in August. After that, recommendations will be provided to the DOL. SPBA’s Elizabeth Ysla Leight, Director of Government
Relations and Legal Affairs, is a member of the ERISA Advisory Council.

SPBA is the national association of Third Party Administration (TPA) firms that manage client employee benefit plans. It is estimated that over 70% of U.S. workers and their dependents in non-federal health coverage are in plans administered by TPAs. The clients of TPA firms include every size and format of employment, including large and small employers, state/county/city plans, union, non-union, collectively bargained multiemployer plans, as well as most industries and professions.
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