BENEFIT DOCUMENTS

PROPOSED RULE WOULD MAKE E-DELIVERY THE DEFAULT

THE U.S. Department of Labor has proposed a rule that would make electronic delivery the default for delivering many required health plan notices, a move that could significantly reduce paperwork and administrative costs for employers.

For employers, the proposal could substantially reduce the time and expense of printing, stuffing and mailing millions of required benefits notices each year. Employees may also find it easier to access important plan information on their phones or computers whenever they need it.

If finalized, the rule could cut the number of paper notices mailed each year from roughly 1.9 billion to fewer than 200 million, saving employers an estimated $402 million annually, according to the department. The proposal would affect approximately 2.8 million ERISA-covered health plans serving about 155 million participants.

How it would work

The proposed rule would allow electronic delivery of many health plan disclosures required under ERISA.

Affected Documents

- Summary plan descriptions
- Summaries of material modifications
- Summary annual reports
- COBRA election and continuation coverage notices
- HIPAA special enrollment notices
- Claims and appeals determinations, including benefit denials
- Other required health plan disclosures under ERISA

Employees and beneficiaries would receive an e-mail or text notification when these documents are available online. They would still have the right to request free paper copies or opt out of electronic delivery altogether.

Current rules limit default e-delivery to employees who have work-related computer access or have consented to receive documents electronically.

What employers can do now

While the rule has not yet been finalized, employers can begin preparing by:

- Reviewing how they distribute health plan communications,
- Confirming employee e-mail addresses and mobile phone numbers are up to date,
- Evaluating whether their benefits platforms can support electronic disclosures, and
- Developing procedures for employees who prefer to receive paper notices.

If adopted, the rule would likely take effect for documents related to the 2028 plan year.