



## Employer Services Advisory

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### Plan Sponsors Don't Need To Worry About The 60-Day Notice Or Automatic Enrollment Now

This is the twelfth in a series of alerts intended to help guide employers and plan sponsors through their new obligations under the recently-enacted health care reform laws and related guidance.

The 2010 health care reform included a provision requiring that group health plans and health insurance issuers provide at least 60 days' advance notice before the effective date of any material modification to their group health plans or coverage. The 2010 health care reform also required that employers with 200 or more full-time employees automatically enroll employees in their group health plans. The effective dates of both of these new rules were somewhat uncertain.

Late last month, the Department of Labor (DOL), the Department of Health and Human Services (HHS), and the Department of Treasury jointly issued additional Frequently Asked Questions (FAQs) to, among other items, address both of these requirements and to clarify their effective dates.

#### Automatic Enrollment Delayed

The new FAQs state that regulations will be issued to provide rules for determining full-time employee status. Until those regulations are issued, employers will not be required to comply with the automatic enrollment requirements. The DOL expects to solicit comments as part of the rule-making process, and intends to issue the regulations by 2014, which means that employers will not need to implement automatic enrollment for at least a few years.

#### 60-Day Advance Notice Requirement

The new FAQs state that the requirement that group health plans and health insurance issuers provide at least 60 days' advance notice of material modifications will not become effective until the summary of benefits and coverage explanation becomes due under the new law (which is generally expected to be some time in early 2012). Additional guidance is expected to be issued prior to that effective date. Hence, we do not expect the requirement to provide 60 days' advance notice to take effect until early 2012. Note, however, that the general summary plan description and summary of material modifications rules will

continue to apply to most group health plans under ERISA.

To review the FAQs, click [here](#).

With a team of attorneys who are highly experienced in the employee benefits field, MLA can provide answers to questions and assistance in complying with these requirements.

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