



BlueCross BlueShield of Vermont

An Independent Licensee of the Blue Cross and Blue Shield Association.

Summary of Benefits and Coverage Distribution Instructions

Federal law requires you, as an employer, to provide your employees with a Summary of Benefits and Coverage (SBC) at certain times. You can read more about these obligations on the U.S. Department of Labor's compliance assistance Webpage. The page highlights SBC guidelines, including information on the potential liability for failure to comply with these guidelines. You can find the page by visiting www.dol.gov/ebsa and accessing the "Compliance Assistance" resource link found on the left-hand navigation.

Distribution Timelines

Unless your employee or his or her dependent requests another SBC, you're only required to provide one SBC per Plan Year, based on the following triggering events:

Event	Distribute SBC	Comments
Upon request	Within seven business days of the request	
Initial enrollment	With the enrollment application	An employee shouldn't be able to sign up for coverage without access to the SBC for the Plan he or she is purchasing
Open enrollment	By the first day an employee is eligible to enroll	You should provide the SBC with the open enrollment materials
Upon renewal	30 days prior to the effective date of the new Plan Year	If a renewal decision is late, you must distribute the SBC to all employees participating in the Plan on whichever date occurs first: <ul style="list-style-type: none"> ▪ seven business days following the written decision to renew; or ▪ the date we issue the new policy.
New hire	Within 90 days of enrollment	
Material modification to the plan	60 days prior to the effective date of the change	

Distribution Methods

Hard-copy distribution

The SBC must always be available in hard copy upon request and free of charge. Any electronic distribution must notify an individual of that option.

You can always distribute the SBC in paper form. The general rule is that the distribution method must ensure that the distribution results in actual receipt of the SBC by the employee.

Email distribution

You should only distribute the SBC via email if:

- The employee has the ability to effectively access the document at any location where he or she is reasonably expected to perform duties as an employee;
- The employee's access to your electronic information system is an integral part of his or her job duties; and
- The employee is notified that a hard copy is available free of charge upon request.

Web distribution

You may provide the SBC on the Web if:

- The format is readily accessible;
- The website location is prominent and readily accessible;
- The employee can print and retain the SBC; and
- The employee is notified timely of the website address where he or she can find the SBC (this is best done via paper notification) and such notification indicates a hard copy is available free of charge upon request.

Special rules about dependents

You must also provide dependents covered under the Plan access to an SBC. If the dependent lives with your employee, distributing the SBC to your employee is sufficient. However, if you know the dependent lives at another address, you must send the dependent an SBC or notify him or her of its availability on the Web.

The abbreviated information in this document is intended to provide you with a brief summary of the law and is not intended as, nor should it be treated as, legal advice.