

BENEFITS insights

Effective Benefit Plan Communication

The way that employers communicate benefits information to employees has a tremendous impact on how well the programs are understood, utilized and perceived by employees. Providing your employees with ample informative resources will help better convey your message.

Managers and supervisors can be effective in sharing important benefits information with employees, especially if it is scripted or "canned." Since they are most likely to know what their employees understand, they might be better able to present benefits information. As an employee's main point of contact, managers and supervisors also tend to be more approachable with questions. Opportunities to ask questions, express dissatisfaction and discuss problems regarding benefits information with supervisors and managers should be encouraged. Many employers use managers and supervisors to share benefits information, but this should be done with caution and help from the following tips.

Avoiding Verbal Communication Problems

Communicating inaccurate information to employees is always a major concern when using managers and supervisors to relate benefits information. Keep in mind that misinformation not only causes an employee relation problem, but has the possibility of causing litigation as well. Consider these tips to avoid problems:

- Consider allowing only specific Human Resources personnel to discuss benefits information with employees.
- Remind those who may be asked questions regarding benefits, such as supervisors and managers, to review their plan documents carefully. They should refer to the HR department any question they are at all unsure how to address.

document, informal written promises can still prevail in court. As a result, make sure even informal written communications about the plan is consistent with the official documents before distributing.

Employees often rely on summary plan descriptions to determine their rights under a specific plan. In the event of an issue due to discrepancies between plan documents and the summary plan document, the summary plan document can hold up in court. Because of this, it is

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- Whether formal or informal, do not make promises regarding any aspect of the benefits plan that the company will not be able to keep.
- State in the plan documents that plan amendments are to be made only in writing and approved by the corporate representative or plan administrator, if applicable.

crucial to make sure that the summary plan document is correct, current, clear and in agreement with the plan documents, handbooks and all other benefits information.

As a safety measure, be sure that the summary plan description, handbooks and other benefits communications state clearly that the plan document has absolute authority over them. This information should appear in a separate paragraph in a prominent position. Consider using larger, italic or boldfaced type, or by using a distinct border to make the information readily apparent.

Written Communication Cautions

Even if written material about benefits information is not an official plan

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Other general helpful tips include:

- Keep a copy of each communication or disclosure sent to employees, however informal.
- Grant discretion to fiduciaries in the plan document.
- Make sure all documents relating to the plan do not include any misleading information before distributing. Request additional information from the plan administrator regarding information that you believe may be misleading.
- Reserve the right to amend the plan at any time for any reason.

Summary of Benefits and Coverage

Since September 23, 2012 health insurance issuers and group health plans have been required to provide an easy-to-understand summary about health plans benefits and coverage.

Utilizing these simplistic health plan summaries can help you explain health benefits with your employees.