



The Standard®  
Positively different.

## ERISA FAQ



### What is ERISA?

ERISA stands for the “Employee Retirement Income Security Act of 1974 (ERISA).”

### What is a Form 5500?

A Form 5500 is an annual report filed by the plan administrator of a “Welfare Benefit Plan.” Welfare benefit plans include various retirement and insurance benefits offered by an employer to its employees. Group and GI disability income insurance offered in the workplace are generally considered part of a welfare benefit plan, and therefore require Form 5500 reporting by the employer or plan administrator.

### What is a Schedule A?

Form 5500 reporting includes various schedules, depending on the type of benefits offered in a given plan. Schedule A to Form 5500 deals with “Insurance Information,” including compensation paid to producers.

### What is an insurance company required to do to meet Schedule A Reporting requirements?

Where insurance benefits are provided as part of a *large* welfare benefit plan covered by ERISA, an insurance company providing the insurance coverage must give the employer or plan administrator information about the insurance coverage, including information about premiums received and producer compensation paid by the insurance company.

### What is a *large* welfare benefit plan?

A *large* welfare benefit plan includes 100 or more covered employees. The number of employees is counted at the beginning of a plan year.

### What reports does The Standard provide for Schedule A purposes?

The Standard automatically provides insurance information to all employers who offer a *large* welfare benefit plan with guarantee issue (GI) individual disability income insurance (IDI) from The Standard. The Standard also provides insurance information upon request of any employer offering a welfare benefit plan with GI IDI from The Standard, regardless of the number of employers covered by the plan.

### How often will The Standard provide Schedule A information?

The Standard will provide Schedule A information to an employer for each plan year the employer offers a *large* welfare benefit plan with disability income insurance from The Standard. The Schedule A information must be provided within 120 days of the end of a given plan year.

### What is a Plan Year for a GI plan?

The plan year for each GI plan will begin on the initial effective date of coverage offered under the plan, unless an alternate plan year is requested by the employer on an acknowledgement form provided by The Standard.



# ERISA FAQ

continued

## Does The Standard send out any additional information to an insured under ERISA plans?

The Standard includes a GI Rider and ERISA Endorsement with all GI coverage, except in California. To ensure compliance with ERISA, The Standard is also including a separate Summary Plan Description (SPD) with all GI policies. This SPD is not a part of the policy, but it provides important information to the insureds, including information about the insured's rights under ERISA in the event of a claim.

## How does the SPD get to each insured?

The SPD will be issued for delivery with each GI policy. The SPD includes instructions to the insured to read it carefully, and to keep the SPD with the original disability insurance policy.

## How will the SPD requirement affect existing GI coverage?

We will send an SPD to all insured with existing GI coverage.

## How often will The Standard send out Summary Plan Description information?

We will automatically send out an SPD only once to each insured, but we will send additional SPDs upon request.

## Does ERISA affect the rights of an insured under a GI plan?

ERISA imposes certain duties on the part of an insurance company administering claims for benefits under disability insurance coverage offered under ERISA. These duties include, but are not limited to, providing a claimant notice of the claims administration process and compliance with time limits for reaching a claim decision. ERISA also recognizes the discretionary authority of an insurance company in the administration of a claim for disability benefits.

## Can an employer elect out of ERISA?

No, ERISA applies to all employee benefits offered or sponsored by an employer.



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