



## **Instructions for Delivering Required Form Notice to Plan Participants of Sponsors Participating in Early Retiree Reinsurance Program, and Form Notice**

**September 24, 2010**

### **Introduction**

Sponsors participating in the Early Retiree Reinsurance Program (ERRP) must provide a form notice to plan participants notifying them that, because the sponsor is participating in the ERRP with respect to the plan, the sponsor may use the reimbursements to reduce plan participants' premium contributions, copayments, deductibles, co-insurance, or other out-of-pocket costs, and therefore plan participants may experience such changes in the terms and conditions of their plan participation. Following are instructions on the manner and timing of delivering this form notice, and the form notice itself. Sponsors must use the attached form notice.

### **To Whom Form Notice Must be Delivered**

The form notice must be delivered to all individuals who are plan participants (including enrolled spouses, surviving spouses, and dependents), and not just early retirees. The form notice may also be delivered to each such individual's authorized agent.

### **Timing of Delivering Form Notice**

The form notice must be delivered within a reasonable time after the sponsor receives its first ERRP reimbursement. A sponsor may deliver the form notice before it receives its first ERRP reimbursement.

### **Manner of Delivering Form Notice**

Sponsors have a number of options for delivering the form notice. The form notice may be included with other plan materials delivered to plan participants. The form notice may be delivered by U.S. mail or by courier service to each plan participant's last known address. A sponsor generally may deliver one form notice per family, as long as the form notice is addressed to all plan participants who are family members.

With respect to plan participants who are actively working, sponsors may instead send the form notices electronically, provided these plan participants have the ability to access electronic

documents at their regular place of work, and have access to the sponsor's electronic information system on a daily basis as part of their work duties.

The initial notices to existing plan participants, and the subsequent notices to new plan participants, may be delivered by the sponsor or by an entity contracted by the sponsor. However, it is the sponsor's obligation to ensure that the form notices are properly delivered.

### **Related Notices**

To the extent a sponsor's use of ERRP reimbursement causes the benefits under, or terms of, the plan to change in such a way that notice of the change to plan participants is required under any applicable law (for example, under the Employee Retirement Income Security Act), the sponsor is required to comply with such applicable law.

## **NOTICE ABOUT THE EARLY RETIREE REINSURANCE PROGRAM**

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

If you have received this notice by email, you are responsible for providing a copy of this notice to your family members who are participants in this plan.