



Internal deadlines carry a high cost

When you think about deadlines you need to meet, the initials IRS and DOL probably come to mind. However, a recent court case provides a timely reminder that plan sponsors have internal deadlines to meet with employees. Essentially, when plans are amended, you need to respond within 30 days to meet an employee's request for an updated Summary Plan Document or Summary of Material Modifications. Perceived non-compliance of these deadlines can result in fines of up to \$110/day.

In the case *Kasireddy v. Bank of America Corp. Benefits Committee*, 2010 WL 4168512 (N.D. Ill. Oct. 13, 2010), a medical plan participant sued her plan's benefit committee for failure to provide a copy of the plan's SPD in response to her written requests. The company provided some information within the 30-day timeframe, although the information was not fully up-to-date. The company was going by the 210-day rule as the timeframe available for notification of *updated* information. The court disagreed with the company and voted in favor the plan participant's lawsuit, imposing the strictest penalty possible.

As a plan administrator, it is essential that you keep all materials current regarding the plans you offer. That way, you can confidently respond to employee requests in a timely manner with correct information.

#