

Summary of Material Modifications (SMM)

A summary of any material modification to the plan and any change in information required to be in the SPD must be disclosed to participants. A copy of the SMM must be provided to the DOL upon request.

Requirement	When	Impact
<p>A summary of any material modification to the plan and any change in information required to be in the SPD must be disclosed to participants and beneficiaries.</p> <p>Note: The SMM doesn't have to be distributed separately if the changes or modifications are described in a timely summary plan description.</p>	<p>In general, not later than 210 days after the end of the plan year in which the modification or change is adopted.</p> <p>Special Rule for group health plans:</p> <p>A summary of any material reduction in covered services or benefits must be provided not later than 60 days after the date of adoption of the modification or change.</p> <p>Alternatively, the 60 day requirement won't apply if the summary is provided in connection with a system of communication maintained by the plan sponsor or administrator at regular intervals of not more than 90 days.</p>	<p>Failure to distribute an SMM could potentially result in criminal charges under ERISA section 501.</p> <p>Penalties of up to \$110 per day (up to \$1,100) for failure to furnish information requested by the DOL.</p>

Note: This material is for the sole purpose of providing general information and does not under any circumstances constitute legal advice. You should seek the advice of counsel when applying the requirements to your plans.