

# Boost Benefit Understanding with Dynamic SPDs

December 2009

Are your benefits changing on January 1, 2010? Have you revised claims procedures, modified benefit provisions, changed administrators or trustees or their addresses or telephone numbers? If so, you know that the clock is ticking for you to communicate these changes to participants through a revised summary plan description (SPD) or through a summary of material modifications (SMM).

It's tempting to simply update your current SPD documents or use those provided by plan vendors. But why not take this opportunity to make SPDs a year-round, engaging and understandable resource for employees?

**Here are some quick tips to turn your SPDs into a tool employees (and your HR staff) will use!**

### Keep it simple

Take a tip from leading advertisers: Write at an 8<sup>th</sup> grade level. Many SPDs are written at a comprehension level that is well above what the average plan participant can understand—a definite “no-no” according to the Department of Labor’s requirements. Even though SPDs have to include some HR jargon and legalese (thanks to DOL requirements), you can still craft content that is easy to digest—with plain language and simple sentence structure. Use technical terms and acronyms sparingly, and always define a word or term that people won’t instantly understand.

### Use graphics to convey content

Instead of relying only on words to get your message across, leverage the same techniques used by *USA Today* and other cutting-edge media to take complicated

concepts and convey them in bite-sized, easily digestible pieces, using charts, call out boxes and other graphics. When employees refer to an SPD, they usually want to find information quickly. Make it easy for them to find key facts, answers to often-asked questions, and contact information (i.e., vendor phone numbers and websites).

### Include a brief resource summary at the beginning of each SPD benefit area

Create a “how to” chart for each benefit that helps employees find key information at a glance. For example, the chart can summarize how to file or check the status of a claim, find a network provider, or get answers to benefit questions. Be sure to include phone numbers, Web addresses, and other contact information.

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## Communicate life events

It's no secret that most employees don't regularly refer to their SPDs. They wait until a "life event" occurs (marriage, divorce, birth or adoption of a child, etc.), and only then do they start searching their SPD (or calling HR) to find out how their benefits are affected and what decisions they need to make. Employees want to know: "How does this life event affect my benefits? What do I need to do? When do I need to do it?" Help them by presenting a life event section that details how major life events affect all benefits and other HR policies. You can detail steps employees need to take (forms to complete, who to contact, etc.) and explain non-benefit specific actions they may need to do (communicating a name change, updating payroll information, contacting Social Security, etc.). You also can highlight non-ERISA benefits, programs and services available to them through the company, such as prenatal programs, voluntary benefits and discount programs, on-site daycare and company-sponsored financial planning.

## Bring in the legal eagles

Many times SPDs are created using a vendor template or are written by someone without the expertise to check details against plan documents and insurance contracts. This puts your organization at risk because if something is misstated in the SPD, your company may find itself paying benefits it never intended to offer. Always have your attorney review final content and sign off on any changes made to the documents. This helps ensure that any revisions that were made to make an SPD more readable don't inadvertently change the intent of plan provisions.

## Put SPDs on your intranet

Be sure to write SPDs so that they can be posted on the company's intranet, and supplement them with additional tools (such as a calculator to add up out-of-pocket expenses and charts that provide side-by-side comparisons of different plans) and links to vendors and supporting Web sites. Having SPDs on the intranet allows you to update content and post changes immediately. It also means everyone has 24/7 access to benefit information—cutting down on questions to HR. Just remember that if employees request a written copy of an SPD, you must provide one. And, a hard copy of the document must be available at the employee's work location.

### A Few Tips for Online SPDs

- Create a table of contents and detailed index so employees can find information quickly and easily.
- Delineate SPD areas (medical, dental, etc.) by separating them with cover pages. This ensures that each benefit area has a cover page if an employee wants to print only one section.
- Create links on important terms or acronyms to connect to the definitions in the glossary.
- Create links to the email and Web addresses of HR staff members or your call center.

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