



Are You Ready for 2018 Group Health Plan Open Enrollment?

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If you need a quick refresher, the SBC summarizes group health plan coverage for employees, describing many important plan features, such as deductibles, co-pays, co-insurance, and services covered, so that employees can better understand and make more informed choices about the available coverage options. SBCs have a required uniform format and must contain certain information and examples, so that employees can compare an employer's coverage options and options from more than one employer. The uniform standard definitions of medical and health coverage terms and the required SBC template are distributed by the IRS, DOL, and HHS (the Departments). For more information on general SBC requirements, see our prior publication [here](#).

While the insurance carrier or third party administrator normally provides the SBC to an employer for distribution with open enrollment materials, employers are ultimately responsible for the SBC's accuracy and distribution, and for the recently increased penalties (of \$1,087 per failure) for failure to distribute the SBC. Employers should review the SBC's provided for the upcoming open enrollment to be sure they have changed to reflect the new rules. Employers should also distribute the Section 1557 nondiscrimination notice with the SBC to avoid potential penalties.

The details of the changes to the SBC and the Section 1557 nondiscrimination notice are discussed in the remainder of this legal update.

The new finalized guidance on SBCs was issued by the Departments in April of 2016. The guidance states that while all prior formatting must still generally be complied with (12 point font, maximum length of four pages front and back, required replication of all bolding and shading where applicable), SBCs can now have certain language and formatting alterations, such as differing font styles and margins in order to maintain the four page requirement. Definitions were also added to the Uniform Glossary, and the Departments state that SBCs may hyperlink the terms to a micro-site that HHS will maintain,

at www.healthcare.gov/sbc-glossary/.

The required content of the SBC has also changed. [Click here](#) to learn more about some of the most significant changes, and view this article in its entirety.

For more information, please contact [Carl Lammers](#), or any other attorney in Frost Brown Todd's [Employee Benefits Group](#).

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