

# Confused About Wrap Documents?



If you're confused about wrap documents, you're not alone! ERISA requires that plans be maintained pursuant to a "plan document." ERISA also requires that plans create and provide participants with Summary Plan Descriptions (SPDs). In spite of some debate, most agree that an SPD and plan document can be a single document if labeled as both. However, SPDs have very specific required content. Wrapping multiple ERISA benefits through the use of a "wrap" plan document or "wrap" SPD reduces the number of SPDs a plan sponsor must prepare and distribute. It also enables plan sponsors to file a single Form 5500 for all of their ERISA benefits (e.g. medical, dental, LTD, AD&D, life insurance).

Without a wrap SPD, multiple SPDs and multiple Form 5500 filings are technically required but are subject to the small plan Form 5500 filing exemption. Although carriers or third-party administrators (TPA) for self-funded plans often provide plan sponsors with documents that include "SPD" in the title, those documents seldom contain all ERISA required content and only apply that particular benefit option. A wrap SPD can

effectively supplement the content provided by a carrier or TPA and bring a plan sponsor into compliance.

## A wrap is generally used for two purposes:

- To consolidate multiple component benefits into a single plan
- To supplement content provided by a carrier or TPA in order to comply with ERISA disclosure requirements

Our compliance department is staffed with experienced attorneys and benefits professionals exclusively dedicated to solving your employee benefits compliance needs. For more information about wrap documents and the best approach for your organization, ask Alliant. We're here to answer the questions you may not even know to ask.

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