

December 2015

BENEFITS ALERT: Disability Claim Procedures

The Department of Labor recently published proposed new procedures for deciding disability claims under retirement and welfare plans. The rules place additional administrative burdens on plan sponsors in reviewing claim information and sharing information with participants when making an adverse benefit determination. In addition, the rules gives participants additional opportunities to present their claims to plan sponsors. Finally, the new rules gives participants a better chance at prevailing in litigation if plans do not strictly follow the new rules.

The new rules will not materially affect plans that condition disability benefits on a disability determination from the Social Security Administration. However, plans that make independent disability determinations may wish to reconsider this practice and require a participant to be found disabled by the Social Security Administration should the proposed rules become finalized.

If you have any questions or concerns about these proposed rules, please call us and we will be happy to review how they may impact your plan.

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