

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2832

To amend title I of the Employee Retirement Income Security Act of 1974 to require clear and concise notification to participants and beneficiaries under a group health plan of the right of the employer to terminate such plan and to otherwise revise the type and amount of benefits provided thereunder, and to provide for civil enforcement of such requirement.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 1993

Ms. SHEPHERD (for herself, Mr. BROWN of Ohio, Mr. MILLER of California, Mrs. LOWEY, Mr. HUGHES, Mr. FROST, Mr. FILNER, Ms. NORTON, and Ms. ESHOO) introduced the following bill; which was referred to the Committee on Education and Labor

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## A BILL

To amend title I of the Employee Retirement Income Security Act of 1974 to require clear and concise notification to participants and beneficiaries under a group health plan of the right of the employer to terminate such plan and to otherwise revise the type and amount of benefits provided thereunder, and to provide for civil enforcement of such requirement.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. NOTIFICATION OF PARTICIPANTS AND BENE-**  
2 **FICIARIES UNDER GROUP HEALTH PLANS OF**  
3 **EMPLOYER'S RIGHT TO TERMINATE THE**  
4 **PLAN.**

5 (a) IN GENERAL.—Section 102(b) of the Employee  
6 Retirement Income Security Act of 1974 (29 U.S.C.  
7 1022(b)) is amended—

8 (1) by inserting “(1)” after “(b)”; and

9 (2) by adding at the end the following new  
10 paragraph:

11 “(2) In the case of an employee benefit plan which  
12 constitutes a group health plan (as defined in section  
13 607(1)), the summary plan description shall contain, in  
14 addition to the information described in paragraph (1), a  
15 clear and concise statement describing any right reserved  
16 by the employer under the plan to terminate the plan or  
17 to otherwise revise the type and amount of benefits pro-  
18 vided thereunder.”.

19 (b) NOTIFICATION REQUIREMENT INELIGIBLE FOR  
20 WAIVER.—Section 104(a)(3) of such Act (29 U.S.C.  
21 1024(a)(3)) is amended by adding at the end the following  
22 new sentence: “The preceding sentence shall not apply  
23 with respect to the requirements of section 102(b)(2).”.

24 (c) PENALTY FOR FAILURE TO PROVIDE NOTIFICA-  
25 TION.—Section 502(c)(4) of such Act (29 U.S.C.

1 1132(c)(4)) is amended by adding at the end the following  
2 new paragraph:

3 “(4) In any case in which, at the time a summary  
4 plan description relating to a group health plan (as de-  
5 fined in section 607(1)) is furnished to a participant or  
6 beneficiary as provided in section 104(b), the requirements  
7 of section 102(b)(2) are not met with respect to such sum-  
8 mary plan description, the employer may in the court’s  
9 discretion be liable to such participant or beneficiary in  
10 the amount of up to \$100 a day from the date of such  
11 failure until the date on which the employer corrects such  
12 failure by means of furnishing to such participant or bene-  
13 ficiary a summary plan description meeting such require-  
14 ments, and the court may in its discretion order such other  
15 relief as it deems proper.”.

16 **SEC. 2. EFFECTIVE DATE.**

17 The amendments made by section 1 shall apply with  
18 respect to summary plan descriptions furnished to plan  
19 participants and beneficiaries on or after January 1, 1994.

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