1199SEIU
Benefit and Pension Funds

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Office of Regulations and Interpretations
Employee Benefits Security Administration
Room N-5655
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210
Attention E-Disclosure RFI
Submitted Electronically *To:* *e-ORI@dol.gov*

Subject: Federal Register – Electronic Disclosure Response RIN 1210–AB50

Response to Questions:

9. Should the Department's current electronic disclosure safe harbor be revised? If so, why? If not, why not?

10. If the safe harbor should be revised, how should it be revised?

To Whom It May Concern:

On behalf of the 1199SEIU Benefit and Pension Funds, I am pleased to submit comments on the above referenced questions in the Request for Information Regarding Electronic Disclosure ("RFI"). We commend the Department of Labor's interest in updating the current electronic safe harbor regulations to help both employee benefit plans and their participants use their resources as efficiently and effectively as possible. Our experience since 2002, when the safe harbor was drafted, is very consistent with the evidence cited by the Department in the RFI that there has been a substantial increase in access to and utilization of electronic media. We believe that communication through electronic media is superior to communication through mail, for the reasons cited below. Accordingly, we believe that the Department's current safe harbor should be revised; and we support a revision to the safe harbor allowing plans to post SPDs, SMMs, SARs, and required notices on the funds' website, with regularly published notice to the

Although these Funds are jointly administered, benefits are subject to each Fund's Summary Plan Description (SPD) and the discretion of the Trustees of that Fund.

they prefer. This communication process, we believe, would be in the best interest of participants, because it would lower administrative costs while permitting access to the timeliest information centralized in one location.

The 1199SEIU Benefit and Pension Funds are comprised of eight separate Taft –Hartley Welfare funds, the majority of which are self-insured and self-administered. We provide more than 430,000 working and retired members of 1199SEIU United Healthcare Workers East with comprehensive health coverage, pensions and quality of life benefits. Our members work in hospitals, nursing homes, home care agencies and other healthcare settings, and our 860 contributing employers in the New York metro area include hospitals, nursing homes, home care agencies and other healthcare organizations. We provide quality, first-dollar coverage to most of our members with no financial barriers to care, and process 4.3 million health claims per year, paying a total of more than $1.4 billion for our members' care. Our three pension funds pay out $560 million in pensions each year to close to 69,000 retired 1199SEIU members and their beneficiaries. Our members, for the most part, live in the most densely populated sections of New York City, and demographically fall into the low- wage service worker category.

Our priority is to use our members' benefit dollars in the most cost-efficient, effective way. We keep our administrative costs very low, spending more than 93 cents of every contributed dollar directly on our members' benefits. However, the mailing requirements place a burden on our administrative, printing and postage costs. In 2009, our Health Care Employees Pension Fund alone spent $316,800 just to meet the requirement of printing and mailing physical Summary Plan Descriptions to each of our plan participants. And to meet the requirements of the Pension Protection Act, our three pension funds have spent more than $300,000 over the past three years mailing regulatory notices to our members.

In addition to the cost burden of these requirements, direct mailing of legal notices may simply not be the best way to reach our plan participants. Mail is not entirely reliable in densely populated, low wage sections of New York City. For example, SPDs may not fit into apartment mailboxes and may be left in lobbies, where they may not be received by the participants. We have to supplement mailing with other distributions such as outreach at the facilities and phone calls if necessary. We have found that multiple individual mailings are not as effective as a single comprehensive publication. We often find that coupling legal notices with other information helps us to better reach the members. For example, in our quarterly member magazine, we frequently include legal notices such as year-end Summary Annual Reports and Summaries of Material Modifications. The magazine has a very high readership, and members know to find this information in their magazine every year at the same times.

We have learned through surveys and focus groups that while our members prefer to receive information in their member magazine, they have most recently stated that they would be interested in receiving information by email or through our Funds' website.

We have recently introduced a dedicated, secure website portal that allows members to check some of their health information online, and it is extremely popular. With minimal promotion, members are signing up by the hundreds daily to access their information electronically. And in our affiliated 1199SEIU Employer Child Care Fund, we introduced on-line registration a few years ago, and now 47% of the members register online. 1199SEIU members have responded so positively to these electronic innovations that we are confident they would welcome electronic dissemination of required notices as well. A revision of the safe harbor regulations would be an excellent opportunity for us to further explore the effectiveness of using our website to distribute this information.

Furthermore, the high cost of mailing is a deterrent to sending out comprehensive SPDs when they are updated. During the five year period before SPDs must be updated and mailed, it is our practice to send SMMs with each update, to avoid the cost of sending SPD updates with each benefit change. Therefore, members do not have a complete description of their benefits in one place. We do, however, update the version of the SPD on the website. So the website contains a fully updated and comprehensive summary of the benefits. It is far better for members to use that as a resource, than to rely on the SPDs and SMMs they receive by mail over several years. Therefore, moving members more rapidly into using the website is the best way for them to access accurate information on benefits.

Posting information on our website or sending out electronic communications would be more efficient, less burdensome and far less costly for our plan and, by extension, our members. Allowing our Funds to distribute disclosures and other required information electronically would not only improve our reach to our members but also help to accomplish the administration's regulatory goals of disseminating information through the most innovative and least burdensome tools for employee benefit plans and the participants they serve. For those members who still wish to receive print notifications, we would periodically publish in our member magazine, which is distributed by mail, lists of documents and notices that can be found on the website, and members can request to receive mailed copies. We believe that that combination of relying on the website with an option to receive direct mail is the most efficient and effective means of communication for our members in this current environment.

Very Truly Yours,

Jeffrey G. Stein
General Counsel
1199SEIU Benefit & Pension Funds