



California Public Employees' Retirement System
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Health Benefits

Circular Letter

September 8, 2022

Circular Letter: 600-050-22

Distribution: Special

To: All Health Benefits Officers and Assistant Health Benefits Officers
Subject: Distribution of 2023 Summary of Benefits and Coverage Notice to New Employees

Purpose

The purpose of this Circular Letter is to inform you about the requirement to distribute the attached 2023 Summary of Benefits and Coverage (SBC). This notice is required to be sent to each new employee on the date they become eligible to enroll in a California Public Employees' Retirement System (CalPERS) health plan. This distribution requirement is consistent with section 2715 of the Affordable Care Act (ACA) and corresponding regulations.¹

Background

Under the ACA, persons who receive private health care insurance, such as those employed by CalPERS contracting agencies and schools, state agencies, and the California State University system, must have access to health plan SBCs and the glossary. Accordingly, the federal government has issued regulatory guidance, frequently asked questions, and templates relating to the matter. In the 2015 final rule, the federal government set forth that failure to provide the SBCs and glossary could result in a \$1,000 penalty per offense.²

¹ CalPERS continues to assess laws and regulations related to ACA. These letters are informational only and general in nature with respect to the ACA, and this Circular Letter does not constitute ACA-related legal advice. For legal advice regarding the ACA, consult your organization's legal counsel.

² 45 Code of Federal Regulations 147.200(e)

SBC Notice

The SBC notice is updated annually and provides information on how to access CalPERS health plans' SBCs, as well as the federal government's glossary of common health insurance terms. These tools are designed to help your employees better understand and compare their health plan options to make more informed choices. The SBC notice provides websites and phone numbers for all CalPERS health plans where newly eligible employees can access the SBCs and glossary. The SBCs and glossary are also available on our website in the [Forms & Publications](#) section.

The updated SBC notice will also be available in the [Public Agency & Schools Health Benefits Guide \(PDF\)](#) and the [State Health Benefits Guide \(PDF\)](#) starting January 2023.

Distribution Requirement

New employees not already enrolled in a CalPERS health plan must receive the attached 2023 SBC notice on the date they become eligible for enrollment, which is typically, for most but not all, the first day of employment.³ As an employer, you are required to provide new employees the SBC notice as an electronic file or hard copy as part of your agency's new hire or newly eligible benefit package.

Additional Resources

For final regulations and additional information about SBC requirements, visit the [Department of Labor](#) website. If you have questions, contact our Employer Contact Center at **888 CalPERS** (or **888-225-7377**).

Rob Jarzombek, Division Chief
Health Plan Research and Administration Division

Attachment: [2023 Summary of Benefits and Coverage Notice Template \(PDF\)](#)

³ 45 Code of Federal Regulations 147.200(a)(ii)(B)