

DOL Delays Application of Disability Claim Regulations

The DOL has finalized its proposed delay in the application of the final disability claims procedure regulations to ERISA welfare and retirement plans providing disability benefits to April 2, 2018.

Background

In December 2016, the DOL issued final regulations that impose new requirements on the procedures ERISA welfare and pension plans must follow in adjudicating claims for disability benefits. These final regulations, which became effective on January 18, 2017, stated that the new rules would apply to claims for disability benefits filed on or after January 1, 2018. In October 2017, the DOL proposed to postpone application of the final regulations for 90 days – until April 2, 2018 and solicited additional comments about the rule. For an analysis of the final regulations, see our [January 11, 2017 For Your Information](#). For a discussion of the proposed rule to postpone application, see our [October 11, 2017 FYI Alert](#).

Proposed Delay Finalized

The DOL recently issued a final [rule](#) adopting the proposed delay in the application of the disability claims regulations to April 2, 2018. According to the department, the 90-day delay should provide it with sufficient time to complete the comment solicitation process, assess whether the information and data submitted supports claims by the rule’s critics that the disability claims regulations will lead to “unwarranted” cost increases and a potential diminution of disability coverage benefits, and take next steps.

In Closing

Although the application date for the disability claims procedure regulations has been delayed, plan sponsors need to monitor the situation and, at this point, assume that claims for disability benefits filed on or after April 2, 2018 will be subject to the new requirements.



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