

## Automatic Enrollment Participation Procedure

Sun Life recognizes that disability coverage is an important part of any employer's benefit plan. We have developed an automatic enrollment procedure, which is available to assist employers that satisfy the following requirements:

- 100% voluntary
- Plan is subject to ERISA
- Plan is not part of a section 125 cafeteria plan.

While automatic enrollment is commonly used with 401(k) plans under Department of Labor authority, employers should consider any applicable state wage laws that require signed, written payroll deduction authorizations, before deciding to use automatic enrollment\*.

Employers should provide clear instructions to their employees, letting them know that they will be automatically enrolled and payroll deduction will be initiated unless the employee affirmatively declines coverage, in writing. Sun Life provides a specimen Opt Out form, as an example for an employer (attached). Employers who decide to use this automatic enrollment procedure need to obtain signed opt-out forms from each employee who declines coverage and to retain such forms in their records. Employers should also review their payroll deduction records, to ensure that employees who decline coverage have been deleted from the list bill records before any payroll deductions are made.

\*Sun Life cannot provide legal advice and we recommend that employers consult with their legal or benefits advisor before offering automatic enrollment.

## Specimen Automatic Enrollment Opt Out Form

RE: [Name of Employer]

The undersigned hereby declines enrollment in the [Name of Employer] disability income plan. I expressly acknowledge that I have received clear instructions about my decision to decline this coverage.

Date:
Name: (Print)
Signature:

Please return this signed form to \_\_\_\_\_ [Employer] \_\_\_\_\_, no later than \_\_\_\_\_.  
If this form is not returned by that date, you will be automatically enrolled and payroll deduction for this coverage will commence.

Note: This specimen is made available to Employers, as a sample for automatic enrollment opt-outs. It is not intended to satisfy any set of specific circumstances or legal requirement.