



# Open Enrollment Employee Benefits Acronym Cheat Sheet

The world of employee benefits is packed with acronyms that can feel overwhelming, especially during open enrollment. Understanding these abbreviations can make it easier to digest information, whether you're reviewing your health care options, exploring voluntary add-ons, planning for retirement or reviewing post-enrollment materials.

This guide breaks down many of the most common acronyms you are likely to encounter during open enrollment.

## Employee Benefits Acronyms Explained

Acronym	Definition	Description
<b>401(k)</b>	Section 401, subsection (k) of the U.S. Internal Revenue Code	A 401(k) is a retirement savings plan that typically offers tax-deferred growth, employer contributions and investment options.
<b>ACA</b>	Affordable Care Act	The ACA is a comprehensive health care reform law enacted in March 2010. The ACA has many requirements for employers and their health plans.
<b>AD&amp;D</b>	Accidental death and dismemberment	AD&D insurance pays benefits in case of accidental death or serious injury.
<b>CDHC</b>	Consumer driven health care	CDHC plans aim to give you more control over health care spending by offering lower premiums and higher deductibles.

Acronym	Definition	Description
<b>COBRA</b>	Consolidated Omnibus Budget Reconciliation Act	This federal law requires group health plans to offer continuation coverage to employees, spouses and dependent children when group health coverage would otherwise be lost due to specific events.
<b>DCAP</b>	Dependent care assistance program	A DCAP is an employer-sponsored program that helps employees with the cost of dependent care expenses.
<b>EAP</b>	Employee assistance program	An EAP is a work-based support service offering confidential counseling and resources for personal or work-related issues.
<b>ERISA</b>	Employee Retirement Income Security Act	ERISA is a federal law that establishes minimum standards for most retirement and health plans in the private sector, which are established voluntarily.
<b>FMLA</b>	Family and Medical Leave Act	FMLA is a federal law providing eligible employees with unpaid, job-protected leave for certain family and medical reasons.
<b>FSA</b>	Flexible spending account	An FSA is a pre-tax account for medical or dependent care expenses. Its funds typically expire at year-end except for a small carryover amount.
<b>HDHP</b>	High deductible health plan	HDHPs are qualified health plans that combine very low monthly premiums in exchange for higher deductibles and out-of-pocket limits.
<b>HMO</b>	Health maintenance organization	HMOs are health plans with monthly premiums, limited provider networks and required primary care physicians who coordinate your care. Covers services performed solely by in-network providers. It tends to be a lower-cost system, but it is more restrictive than a PPO plan.

Acronym	Definition	Description
<b>HRA</b>	Health reimbursement arrangement	HRAs are employer-owned medical savings accounts in which the company deposits pre-tax dollars for each of its covered employees. Employees can then use this account to reimburse qualified health care expenses.
<b>HSA</b>	Health savings account	HSAs are employee-owned, pre-tax accounts for medical expenses. They are paired with HDHPs and do not have yearly spending deadlines.
<b>LTC</b>	Long-term care	LTC insurance provides coverage for extended care services such as nursing homes or in-home assistance.
<b>OOPM</b>	Out-of-pocket maximum	OOPMs are the highest out-of-pocket amount you will pay in a benefit period.
<b>PCP</b>	Primary care provider	PCPs are doctors who are selected to coordinate treatment under your health plan. This generally includes family practice physicians, general practitioners, internists and pediatricians.
<b>PPO</b>	Preferred provider organizations	PPOs are health plans that offer both in-network and out-of-network benefits. Members must choose one of the in-network providers or facilities to receive the highest level of benefits. It is more flexible than an HMO but is usually more expensive.
<b>PTO</b>	Paid time off	PTO is a bank of hours that employees can use for vacation, sick leave or personal time.
<b>QLE</b>	Qualifying life event	A QLE is a significant life change that enables employees to modify their benefits outside of the annual open enrollment period.

Acronym	Definition	Description
<b>Roth 401(k)</b>	A hybrid between a Roth IRA and a 401(k)	This combines features of a traditional 401(k) with those of a Roth IRA. Similar to a traditional 401(k) feature, employers may offer a Roth 401(k) feature; like a Roth IRA, contributions are made with after-tax dollars.
<b>Roth IRA</b>	Roth investment retirement account	This is an individual retirement savings account that allows individuals to contribute after-tax income, with qualified withdrawals being tax-free. You can open a Roth IRA through banks, credit unions, brokerage firms or online investment platforms.
<b>SBC</b>	Summary of Benefits and Coverage	An SBC is a short document providing consistent and straightforward information about a health plan's benefits and coverage. It must be provided free of charge at certain times, such as at open enrollment.
<b>SPD</b>	Summary Plan Description	An SPD is a resource for informing participants and beneficiaries about their rights and benefits under the employee benefit plans in which they participate.

This cheat sheet does not account for every acronym you may see related to your benefits, but it provides an overview of some of the most common ones.

If you have questions, check with your employer for additional resources.