

Court Reverses ERISA Penalties Award for Delay in Furnishing Plan Documents During COVID-19, Defines Scope of ERISA Disclosure Limits

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[*Zavislak v. Netflix, Inc.*, 2025 WL 2717422 \(9th Cir. 2025\)](#)

In a reversal of a lower court decision on penalties for failure to provide plan documents during the COVID-19 pandemic, the Ninth Circuit has reversed the trial court's penalty award and clarified the scope of ERISA § 104. A health plan beneficiary requested various plan documents, including summary plan documents (which the court referred to as governing documents), claims administration agreements (CAAs) and internal "ancillary" documents, and sued for the time it took the plan to provide the governing documents and for access to internal documents the plan withheld. The trial court determined that the plan was not obligated under ERISA to disclose the withheld documents but awarded a penalty of \$765 (reduced from \$110/day to \$15/day due to COVID-19) for the delay in providing the governing documents. Both parties appealed the decision, with the beneficiary challenging the denied request to mandate disclosure of withheld CAAs and internal documents, and the plan challenging the penalty award, claiming that their delayed response was timely given the COVID-19 pandemic and related deadline extension relief granted by the DOL.

The court eliminated the penalties, concluding that even reduced penalties were unsupported since the plan acted in good faith despite COVID-19 disruptions by furnishing the documents as soon as administratively practicable in accordance with the DOL relief. With respect to the disclosure of the CAAs and internal documents, the beneficiary argued that ERISA required the plan to provide information on any contracts or instruments related to plan establishment or operation, while the plan argued that it simply required the disclosure of documents that explain participant rights and benefits under the plan. The court agreed with the lower court's decision that the plan was not required to disclose the CAAs and internal documents because they governed the relationship between the employer and plan service providers and did not directly impact participant rights or benefits, explaining that these documents were either not subject to mandatory disclosure rules or were documents participants already had access to.

EBIA Comment: The court noted that Ninth Circuit precedent calls for a narrow interpretation of ERISA § 104 as it applies to plan document disclosure requests, explaining that not all contracts and other internal documentation dealing with plan administration are required to be disclosed. In addition, the ruling demonstrates that courts have wide latitude in awarding penalties in these situations, and that a plan's good faith response in accordance with relief granted due to a pandemic or other disaster can prove to be timely and penalty-averting behavior. For more information, see EBIA's ERISA Compliance manual at Section XXV ("Participant Requests for Plan Materials"). See also EBIA's Self-Insured Health Plans manual at Section XXVIII.E ("Participant-Requested Disclosures").

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