

# Participant Notice Requirements



*Keep track  
of what  
your  
participants  
must receive  
with this  
handy guide*

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Without proper understanding, making sure your plan runs smoothly can be difficult. One of the many requirements to a qualified plan is to make sure your participants are well informed and receiving all required notices. Between the Department of Labor (DOL) and the Internal Revenue Service (IRS), there are a number of forms that are required to be distributed over the life of a participant. There are many penalties and consequences for not distributing these forms, and we make sure we send the forms to you with instructions on how to disseminate.

There are several categories of participant notices. There are notices that must be distributed to employees prior to when they will be eligible to participate in the plan, such as investment election forms, Summary Plan Descriptions, beneficiary designation forms and other forms that might apply if the plan has automatic contributions, Qualified Default Investment Alternatives or safe harbor provisions. Other forms must be distributed once per year, such as notices and Summary Annual Reports. Participant statements are also required to be passed out, often on a quarterly basis. There is also a responsibility to distribute a Summary of material Modifications any time a plan document is amended. Look to the chart on the back for the timing and consequences associated with all of these required notices.



**PLAN SPONSOR SERIES  
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# Keeping track of participant notices

	Description	Due Date	Consequences
<b>At enrollment time</b>			
Election Form	Allows participant to elect deferral % and investment allocation	Prior to the date a participant is eligible to enter the plan	Plan sponsor would need to reimburse participant for time of lost deferral opportunity
Beneficiary Form	Allows participant to elect beneficiary	Prior to the date a participant is eligible to enter the plan	None
Summary Plan Description	A plain language description of plan features	Within 90 days of a participant's entry into the plan	A penalty of up to \$110/day per affected participant
Safe Harbor Notice	A notice describing the safe harbor contributions of the plan	Prior to the date a participant is eligible to enter the plan	Plan will not be treated as a safe harbor and will be subject to testing
Automatic Enrollment Notice	A notice describing the fact that deferrals will be withheld automatically from paycheck	Prior to the date a participant is eligible to enter the plan	A penalty of up to \$1,100 per day for each failure
QDIA Notice	A notice describing what investment contributions will be made to if no election is given	Prior to the date a participant is eligible to enter the plan	No protection from a participant being able to sue the sponsor for improper investment
<b>At valuation time</b>			
Participant Statements	Benefit statements that provide employee's information on the investment performance and account balance	45 days after the end of the quarter for participant directed plans, by the due date of the Form 5500 for trustee-directed plans	A penalty of \$110/day per affected participant
<b>Once a year</b>			
Summary Annual Report	A report that shows information about the plan and its assets for the plan year	60 days after the due date of the Form 5500	Up to a \$5,000 fine and/or a year's imprisonment
Safe Harbor Notice	A notice describing the safe harbor contributions of the plan	30-90 days prior to the start of the plan year	Plan will not be treated as a safe harbor and will be subject to testing
Automatic Enrollment Notice	A notice describing the fact that deferrals will be withheld automatically from paycheck	30-90 days prior to the start of the plan year	A penalty of up to \$1,100 per day for each failure
QDIA Notice	A notice describing what investment contributions will be made to if no election is given	30-90 days prior to the start of the plan year	No protection from a participant being able to sue the sponsor for improper investment
<b>At amendment time</b>			
Summary of Material Modifications	A plan language description of any plan amendment	210 days after the plan year it is effective	A penalty of up to \$110/day per affected participant