



SIMPLIFYING RETIREMENT PLAN NOTICES

At Compass, we strive to make your job easier. This includes breaking down Retirement Plan Notices so that you know what documents are required to be distributed, and when the participants in your plan need to receive them.

DEFINITION OF PARTICIPANTS

In this document, “participants” refers to all eligible employees, including former/terminated employees that still have a balance in the retirement plan.

ERISA AND WHAT IT MEANS FOR YOU

The Employee Retirement Income Security Act of 1974 (ERISA), the Pension Protection Act of 2006, and subsequent/additional regulations from the Department of Labor all have one basic purpose: to provide plan participants with the right to access certain information about their retirement plan accounts. This document provides a summary of required annual notices. Some of these notices are provided based on different plan features and have their own distribution timing. It’s important that plan sponsors retain the services of a knowledgeable Third Party Administrator, like Compass, to keep you in compliance with ever-changing legislation.

FEE DISCLOSURE NOTICE – 404(a)(5)

Participants are required to be informed of the fees they are paying through their participation in the plan.

Fees may include investment fund fees, advisory fees, administrative and transactional fees, etc.

TIMING

- Required annually
- Also required at least 30 days in advance when changes to plan fees are made to the plan (including changing an investment option)

QDIA NOTICE

The Qualified Default Investment Alternative (QDIA) notice is required to be given to all participants. It informs them that their money may be invested in the QDIA if they do not make an investment election. It also provides important information about that fund.

TIMING

- Required annually
- Must be distributed at least 30 days before the start of the plan year (for plans ending 12/31, this means the QDIA Notice must be distributed by 12/1)

SUMMARY PLAN DESCRIPTION (SPD)

Describes the pertinent provisions of the plan in understandable language.

TIMING

- Required to be distributed to new participants within 90 days of becoming a participant
- Required to be distributed when new plan documents are drafted
- Also required to be distributed at least every five years if the plan has been amended, and at least every 10 years if no amendments have been made

SAFE HARBOR NOTICE

If your plan is a Safe Harbor Plan, a Safe Harbor Notice must be provided to all eligible participants. Failure to do so will remove the exemption from non-discrimination and top-heavy testing.

TIMING

- Required annually
- Must be distributed at least 30 days (and no more than 90 days) prior to the start of the plan year (for plans beginning on 1/1, this means the Safe Harbor Notice must be distributed by 12/1)

NOTE: Plans with the Safe Harbor Non-Elective provision have more flexibility with regard to this notice. However, we suggest following the established guidelines.

AUTOMATIC ENROLLMENT

If your plan has an automatic enrollment provision, notice must be provided to all eligible participants, including newly affected participants.

TIMING

- Required annually
- Must be distributed at least 30 days prior to the start of the plan year (for newly affected participants, it must be distributed 30 days prior to the date funds will be withheld from pay)

SUMMARY MATERIAL MODIFICATIONS (SMM)

This notice is a written summary of changes to an existing SPD. This notice may be provided rather than updating the entire SPD.

TIMING

- Must be provided at least 210 days after the end of the plan year when the changes were adopted
- Can be avoided by updating and distributing a new SPD

BLACKOUT NOTICE

This notice is required whenever a scheduled blackout period occurs in a plan. Most commonly, this occurs whenever a plan is changing Recordkeepers and/or Investment Providers. However, it can also occur if an employer is merging plans, going through an acquisition, or changing an investment option or product with your current Recordkeeper.

TIMING

- Required to be distributed to all participants, including former/terminated employees that still have a balance in their retirement plan, at least 30 days in advance of the Blackout

SUMMARY ANNUAL REPORT (SAR)

Each year participants must receive a copy of your Summary Annual Report. This report outlines information about the plan as reported on your Form 5500.

TIMING

- Required annually
- Generally distributed with other annual notices

NOTICES AT A GLANCE

Name of Notice	Required Timing	Example Dates	Sent To Whom
Fee Disclosure Notice – 404(a)(5)	Annually	Every 12 months and 30 days before changes are made	All participants
QDIA Notice	Annually	By 12/1 for plans starting 1/1	All participants
Summary Plan Description (SPD)	<ul style="list-style-type: none">• Within 90 days• When new plan documents are drafted	By 3/31 for new participants starting on 1/1	<ul style="list-style-type: none">• New participants• All participants
Safe Harbor Notice	Annually	30 days before start of plan year (e.g. by 12/1 for plans starting 1/1)	All participants
Automatic Enrollment	Annually	30 days before start of plan year (e.g. by 12/1 for plans starting 1/1)	All participants
Summary Material Modifications (SMM)	As needed	At least 210 days after the end of the plan year	All participants
Blackout Notice	As needed	Distributed with other annual notices	All participants
Summary Annual Report (SAR)	Annually	Distributed with other annual notices	All participants

CONTACT US

Plan notices are a critical part of your plan compliance. If you have any questions, contact us. We are your compass to one-of-a-kind retirement plan services.

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