

IRS- and DOL-Required Annual Notices

Plan Sponsor Instructions and Resource Guide

The Internal Revenue Service (“IRS”) and the Department of Labor (“DOL”) require the Named Fiduciary or designated Plan Administrator of a qualified retirement plan to distribute various notices to eligible employees, participants and/or beneficiaries (“Participants”) each plan year. The purpose of these notices is to equip Participants with the information necessary to make timely and informed decisions about their retirement plan account. Failure to supply Participants with the required notices may result in a breach of fiduciary duty, plan disqualification and/or personal liability.

Required Action

1. Go to **www.PensionInc.net** and click **PI InterLink Account Login**.
2. Enter your **Username** and **Password** information. If you no longer have your login information, please contact Pension Inc. immediately.
3. If the **Investment Information – Disclosure** menu option is available on the top of your Toolbar, print both the **Investment Comparative Chart** and the **Investment Glossary**. If the menu option is not available, move to step 4.
4. On the top of your Toolbar, go to **Forms & Reports / Reports / Reports = View Reports / Filter Column = Report Group / Filter Value = Disclosure Notices** and print the **Annual Notices**.
5. Distribute the required **Annual Notices**, including the **Investment Comparative Chart and Investment Glossary** (if applicable), to Participants via email, fax, paper, mail or personal delivery.

Frequently Asked Questions

How may the Annual Notices be distributed to Participants?

The Annual Notices must be delivered to Participants - it is not sufficient to merely post the notice on an employee bulletin board, in an employee break room, or provide a kiosk for accessing the Notices online. The Annual Notices, including the Investment Comparative Chart and Investment Glossary (if applicable), may be delivered by mail, as a payroll stuffer, hand delivery or electronically. If delivered electronically, either the Participant must consent to receive the Notices electronically, or the system used must be accessible by Participants as an integral part of the employment duties. In addition, the Participant must be told that he or she may request and receive the Notices on paper at no charge. Please note that Pension Inc. is providing the Annual Notices, including the Investment Comparative Chart and Investment Glossary (if applicable), on the Sponsor/Advisor/Participant websites as a resource but this does not satisfy the communication and delivery requirements under the regulations.

An optional mailing service is available for the Annual Notices. If selected, a per Participant charge of \$1.50 per 2-page mailing plus \$0.50 per each additional fold in sheet will be added to the Plan's next fee billing. Please contact your client service representative if you would like to add this optional service.

Which Participants must receive the Annual Notices?

The Fee Disclosure Notice (404(a)5), including the Investment Comparative Chart and Investment Glossary (if applicable), must be provided to active participants, employees eligible to join the plan, former employees with a balance in the plan,

active beneficiaries who have taken control of a plan account, and alternate payees under a QDRO.

The Safe Harbor Notice and the Automatic Contribution Arrangement Notice must be provided to active participants and employees eligible to join the plan.

The Qualified Default Investment Alternative Notice must be provided to active participants, employees eligible to join the plan and former employees, active beneficiaries and alternate payees with a balance in the plan that is invested in a QDIA.

What are the timing requirements for distributing the Annual Notices?

The Fee Disclosure Notice (404(a)5), including the Investment Comparative Chart and Investment Glossary (if applicable), must be distributed to Participants on or before the date they become eligible for the Plan and annually thereafter.

The Safe Harbor Notice, the Automatic Contribution Arrangement Notice and the Qualified Default Investment Alternative Notice must be distributed to Participants no sooner than 90 days and no later than 30 days before the date they become eligible for the Plan and before each Plan Year.

What are the penalties for failure to distribute the Annual Notices?

The Named Fiduciary or designated Plan Administrator has a fiduciary obligation to distribute the required Annual Notices. Failing to provide the required Annual Notices may result in plan disqualification, civil penalties and personal liability, including fines and/or imprisonment.