

Distribution of Summary Annual Report (SAR)

A Summary Annual Report (SAR) is a summary of the Form 5500 report (which is filed with the Department of Labor). If a company sponsors multiple ERISA plans, it must distribute a separate SAR for each of the plans. In addition, distribution requirements extend to any terminated plans for which a Form 5500 has been filed.

The SAR should be distributed to each participant covered under the plan at any time during the year to which the SAR relates (including those covered under COBRA & Retirees).

Distribution Time Frame

ERISA regulations state that the SAR must be distributed to participants receiving benefits within nine months after the end on the plan year. *For example: For a calendar year plan filing, the SAR for that plan must be distributed by September 30.* If the due date for filing the Form 5500 has been properly extended, the SAR is required to be furnished within two months after the close of the period for which the extension is granted. *For example: if a calendar year plan filing is due October 15 (after the filing of Form 5558 (Application for Extension of Time)), the SAR for that plan must be distributed by December 15.*

Offer of Language Assistance

If a sufficient number of plan participants (10%) are literate only in the same non-English language, the plan administrator must give those participants a SAR with a notice written in their own language. The notice must inform such participants of the availability of assistance sufficient to enable them to fully understand the contents of the SAR.

Distribution Methods

The following methods are acceptable for delivery of the SAR to plan participants. Please distribute as follows:

1. By hand.
2. Via special insert in a periodical distributed to employees (i.e. pay check/stub, Open Enrollment/Benefits Guide).
3. Via electronic media if:
 - a. Appropriate and necessary measures are taken to ensure that the system for furnishing SARs results in actual receipt by participants of transmitted information (e.g., return-receipt electronic mail feature is used or periodic reviews or surveys to confirm receipt of transmitted information are conducted).
 - b. Each participant is provided notice, through electronic means or in writing, advising the participant that the SAR will be furnished electronically; the significance of the SAR; and the participants' right to request and receive, free of charge, a paper copy of the SAR.
4. First, second, or third-class mail. Distribution by second or third-class mail is acceptable only if return and forwarding postage is guaranteed and address correction is requested. Any material sent by second- or third-class mail that is returned with an address correction must be sent again by first class mail or personally delivered to the participant at the work site.

Furthermore, the furnishing of documents through electronic media may only be made with respect to participants who have the ability at their worksite to effectively access documents furnished in electronic form, and those who have the opportunity at their worksite to readily convert furnished documents from electronic form to paper free of charge.