



Summary Annual Report (SAR)

ERISA requires the plan administrator to furnish to each participant and to each beneficiary receiving benefits under the plan a summary of the plan's financial status. This is known as a summary annual report (SAR) because it summarizes the information on the plan's annual report (Form 5500 series) filed with the government. Providing a copy of the Form 5500 to participants will not satisfy this SAR requirement.

When to provide the SAR. The SAR for a plan year must be furnished no later than 9 months after the close of the plan year. This deadline provides the plan administrator 2 months after the Form 5500 filing is due to prepare and distribute the SAR.

Extension if Form 5500 filing is on extension. If the Form 5500 filing is extended, the SAR is due 2 months after the extended due date.

No weekend/holiday rule. The DOL does not provide for an extension merely because the deadline for providing the SAR falls on a weekend or holiday. It is recommended that, in such an event, the employer provide the SAR by the last business day that precedes the deadline.

Posting of Form 5500 information at Intranet site. Companies that maintain an Intranet website maintained for the purpose of communicating with employees, and not the public, must display the Form 5500 information on that website.

Methods of delivery. The following methods are acceptable: (1) in-hand delivery at the workplace, (2) insert in a periodical distributed to employees (e.g., union newspaper or company publication), (3) mailing by first, second or third-class delivery, or (4) under circumstances, via electronic media (discussed below).

Types of electronic media. "Electronic media" encompass a broad range of options, including documents provided through a company website, documents delivered as e-mail attachments, and documents on magnetic tape or CD-ROM. The regulations are written in a manner that also will accommodate future developments in electronic media.

Ensuring actual receipt. The administrator must take appropriate and necessary measures to ensure that the system for furnishing electronic documents results in actual receipt by participants of transmitted information.

Computer kiosk not appropriate safe harbor method. Furnishing electronic documents by means of a computer kiosk at the work site is not acceptable in satisfying the SAR requirement.

Paper disclosure must be available. The individual must have a right to request a paper disclosure document.

Notice to individuals receiving electronic disclosure. Notice must be provided that the communication contains important plan information, and the notice also must inform the individual of his/her right to request a paper copy of each such document, as discussed in above.

Receipt of documents through electronic disclosure may be made available to any participant or beneficiary, if certain conditions satisfied. Regulations allow for off-site delivery through electronic means, and permit former employees and beneficiaries to consent to electronic delivery.