

Employee Benefits Update: May 31, 2012 Deadline for New Participant Disclosures

This Employee Benefits Update provides information on the revised effective dates for new participant disclosures for 401(k) and certain other participant-directed retirement plans.

The participant disclosures include special rules for initial disclosures and quarterly disclosures.

- Initial disclosures are due by May 31, 2012 for plan years beginning on or after November 1, 2011, but could be later.
 - If the plan year begins after April 1, 2012 but before November 1, 2012, the effective date is 60 days after the beginning of the plan year.
 - The May 31, 2012 effective date is tied to the service provider regulation effective date of April 1, 2012. If the April 1, 2012 deadline is changed, then the participant disclosure deadline would be pushed back. See http://www.boardmanlawfirm.com/EBupdate/8_8_11.php for a discussion of the service provider fee disclosures.
- Initial quarterly disclosures are due 45 days after the end of the quarter in which the first initial disclosure is due. So, if the first initial disclosure is due May 31, 2012, the first quarterly disclosure is due by August 14, 2012 for calendar year plans (45 days after the end of the April-June quarter in which the initial disclosure was required).

See http://www.boardmanlawfirm.com/EBupdate/12_8_10.php for previous discussions of the new rules regarding participant disclosures.

See <http://www.dol.gov/ebsa/newsroom/2011/11-1063-NAT.html> for the Department of Labor News Release. The Department of Labor has modified the rules to tie them in with the service provider fee disclosure rules.

What should employers do?

- Review the new requirements and work with service providers to develop a plan for compliance with these new regulations.
- Update agreements with service providers to include compliance with these new requirements.

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