

# Avoiding Mistakes

## Distributing Employee Notices

ERISA requires employers to distribute certain important notices to employees. The following is a partial list of some of the notices required to be distributed.

- Blackout Notice
- Enrollment Material
- QDRO Procedures
- Summary Plan Description
- Plan Loan Policy
- Summary Annual Report
- Safe Harbor Notices
- 204(h) Notices

### **FAILURE TO DISTRIBUTE NOTICES**

Penalties may be assessed for failure to timely distribute required notices to employees. For example, failure to distribute the Blackout Notice to employees when required under the Sarbanes-Oxley Act can result in a fine of \$100 per day per participant starting on the day the notice was required to be given. For most plans this can quickly become a very large penalty.

### **ENSURING NOTICES ARE TIMELY DISTRIBUTED**

Texas Pension Consultants provides employers with all of the notices required by ERISA with detailed instructions for distributing them. Because of the substantial amount of the fines associated with failure to distribute notices, it is critical that plan sponsors read all correspondence from us and act upon these instructions.

Please contact Texas Pension Consultants if you have questions or would like to discuss the requirements for distributing notices and how they may affect your situation.

