

Rules for Electronic Delivery of Participant Fee Disclosure Notices



Regulations issued by the U.S. Department of Labor (DOL) permit the Annual Participant Fee Disclosure Notice to be delivered either electronically or in paper. To comply with the rules for electronic delivery, employers must furnish the notice using measures reasonably calculated to ensure actual receipt. Employers will be deemed to meet this requirement if electronic delivery is made to individuals who:

1. **Regularly Use a Computer at Work** – Employees who have the ability to effectively access documents furnished in electronic form at work and with respect to whom access to the employer's electronic information system is an integral part of their duties.
2. **Affirmatively Consent to Electronic Delivery** - Other participants (retirees, former employees, and active employees who do not use a computer at work, beneficiaries) who affirmatively consent to receiving the disclosures through electronic media in a manner prescribed by the regulation. See the additional rules below to satisfy the affirmative consent rule.

Additional Rules

To satisfy the affirmative consent rule, participants must voluntarily provide an email address in response to a written paper request. The request must include a notice that specifies the disclosure will be made electronically, instructions on how to access the information, identification of the information provided, the right to opt out of electronic communications, and an explanation that paper copies will be provided free of charge if opting out. In addition, participants must receive an annual paper notice regarding electronic communication from the plan. The annual notice may be sent through email if the participants' electronic interactions with the plan are tracked and the participant has interacted electronically with the plan during the last year by confirming or updating their email address.

Conclusion

Employers can send the disclosures electronically to any employee that regularly uses a computer as part of their work, and if they provide them access to an email address. Otherwise the Annual Fee Disclosure Notice should be provided to employees via U.S. Mail or it should be hand-delivered.

JULY's Fulfillment Service

JULY can assist you with printing and mailing the Annual Participant Fee Disclosure Notice. If you would like information about this service, please contact your Client Service Manager at 888.333.5859 or email fulfillment@julyservices.com.