



DOL Proposes New Electronic Disclosure Safe Harbor Rule For Retirement Plans

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In October, the Department of Labor issued proposed regulations that would allow retirement plan administrators to make required disclosures to participants accessible on a website; as opposed to requiring plan administrators to send numerous paper documents through the mail every year, or to meet the current, much more onerous electronic disclosure safe harbor rule.

In order to take advantage of this new electronic disclosure safe harbor, plans would need to, among other things, notify participants that information is available online, and that notice would need to satisfy several requirements set forth by the DOL in the proposed regulations.

Once the conditions for electronic disclosure are met, plan administrators may furnish required disclosures—such as summary plan descriptions, summaries of material modifications, summary annual reports, annual funding notices, investment disclosures, and benefit statements—to participants who do not opt out.

While plan administrators cannot rely on the safe harbor in the proposed regulations until the regulations are finalized, this new rule will be welcome relief for retirement plans from the current electronic disclosure safe harbor available to employee benefit plans.

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The proposed regulations currently only apply in the case of retirement plans, but they do reserve a section for welfare plans.