



Thursday, May 21, 2020

## Department of Labor Issues Final Regulation on Electronic Disclosure

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In addition to the current rules that allow for participants to receive certain electronic disclosures, these rules expand the items that can be delivered electronically. Any participant that provides an electronic address or is assigned an electronic address by the employer may be eligible to receive any documents electronically that must be furnished under Title 1 of The Employee Retirement Income Security Act of 1974 (ERISA). Examples of these disclosures are Summary Annual Reports (SARs) and Blackout Notices. The new rules will not apply to employee welfare benefit plans.

Before the disclosures can be sent electronically, an employer will have to provide an initial paper notice that contains a variety of information, explains that individuals have a right to request a paper copy free of charge, and informs them of their ability to opt out of electronic delivery. Also, employers will have to provide a Notice of Internet Availability to all covered participants on an annual basis and monitor and remedy invalid electronic addresses.

The new rules are meant to provide more efficient means of communicating information to employees. The final rule will be effective 60 days after the May 21 publication in the Federal Register.

CAPTRUST will be working with clients and recordkeepers to answer questions and assist with putting these new measures into place.

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