

## Summary Annual Reports Due September 30

Most welfare benefit plans with 100 or more participants at the beginning of the plan year are required to file Form 5500. The number of plan participants includes enrolled employees and former employees with continuation of benefits, but does not include dependents. Plans with less than 100 participants at the beginning of the year are generally exempt from filing Form 5500 unless they are considered funded. Plans are considered funded when benefits are paid from plan assets in whole or in part rather than general employer assets. Employee contributions, **unless accepted through a cafeteria plan**, are generally considered plan assets. Some plans and entities are exempt from filing. These exclusions can include unfunded plans that cover fewer than 100 participants, church and government plans.

Once the Form 5500 is filed, plan administrators also need to furnish a **Summary Annual Report (SAR)** to each health plan participant **within 9 months** after the end of a plan year. As a result, the deadline for most calendar year plans to satisfy the SAR requirement for plan year 2017 is **September 30, 2018**.

The SAR should be distributed to all participants of the plan during the year for which the plan information is being reported. Distribution can be paper or electronic, **but must meet the DOL distribution requirements**. The DOL requires that notices be provided in a manner reasonably calculated to ensure actual receipt of the material by the participant. These methods include:

- **Hand-delivered to employees at their worksite** (merely posting material is not acceptable). Form 5500 and Summary Annual Report (SAR)
- **U.S. mail via first, second or third class**, but only if return and forwarding postage is guaranteed and address correction is requested.
- **Electronic media** (in accordance with electronic distribution guidelines). Electronic distribution of notices to active employees requires that employees have work-related computer access at any location where the employee performs his or her duties and that they have access to the employer's electronic information system as an integral part of those duties (merely providing a computer in a common area does not satisfy this requirement). The electronic transmittal must contain a statement that the employee may request a paper copy.

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### What Information Must a SAR Contain?

A SAR serves as a narrative summary of the group health plan's Form 5500 annual report. In general, a SAR must provide the following information on the plan year (among other things):

- Name of the insurer
- Total premiums paid
- Value of plan assets at the beginning and end of the plan year
- Amount of plan expenses

### Is a Model Notice Available?

While the U.S. Department of Labor has not released a model SAR, **federal regulations provide model language**. To review this model language, [click here](#) and see the section titled "Form for Summary Annual Report Relating to Welfare Plans."

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