



## **SUMMARY ANNUAL REPORT for EMPLOYEE BENEFIT PLANS By: CATHY DOBRYNSKI, CPA, CGMA**

Just a few weeks ago marked the Form 5500 Annual Return/Report of Employee Benefit Plan extended tax filing deadline for calendar year-end plans. Plan administrators can breathe a sigh of relief because their reporting requirements are done with that filing, right? Unfortunately, there's one more report/deadline to be met – the Summary Annual Report (SAR).

The SAR summarizes the IRS Form 5500 and must be distributed to all Plan participants within nine months after the close of the Plan year – which is two months after the Form 5500 is due. A calendar year Plan's Form 5500 is due July 31<sup>st</sup>; therefore, the SAR would have been due September 30<sup>th</sup>. If an extension was filed, the SAR is due two months after the extended due date. A calendar year Plan's extended Form 5500 is due October 15<sup>th</sup>; therefore, the SAR is due on December 15<sup>th</sup>.

What is a SAR? A SAR is a narrative summary of the Form 5500. There are specific guidelines on the content of the SARs depending on the type and size of the Plan. Most SARs will at least include the following information:

- Administrative expenses of the Plan
- Amount of benefits paid to participants and beneficiaries of the Plan
- Total value of Plan assets
- A notification on the right to receive a copy of the full annual report

There are also specific guidelines on the distribution of the SAR. It can be distributed:

- At the participant's worksite by handing them a hard copy (posting on a bulletin board is not an acceptable method of delivery).
- With the participant's annual statement.
- Included as an insert in a company newsletter.
- Mailed via the USPS to the participant's place of residence.
- Sent electronically (requires prior consent by the participant).

These are very general guidelines; every Plan is different. Compliance with this reporting requirement is mandatory and should be taken very seriously. Noncompliance can carry stiff penalties by both the IRS and the Department of Labor.



12101 Woodcrest Executive Dr., Ste. 300  
St. Louis, MO 63141-5047  
Tel: 314-205-2510  
Fax: 314-205-2505  
[www.connerash.com](http://www.connerash.com)

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If you have questions on this or any other business or tax matter, please contact your Account Manager or [Cathy Dobrynski, CPA, CGMA](mailto:cdobrynski@connerash.com), at (314) 205-2510 or via email [cdobrynski@connerash.com](mailto:cdobrynski@connerash.com).