

Summary Plan Description and Summary of Material Modification guidelines

Content

Modifying the Summary Plan Description (SPD)

Any change or deletion should be carefully reviewed to ensure it matches the provisions of your current plan document. An incorrect SPD could provide participants additional rights that could be adverse to the plan sponsor.

If you decide to modify the wording in the SPD, please be sure to keep record of all changes. These changes may be needed for future updates. Subsequent SPDs prepared by Lincoln will not contain such modifications.

Required information that may not be removed

Certain information must be included in the SPD and may not be deleted. Examples of items that may not be deleted include eligibility requirements, contribution requirements, vesting provisions, distribution rules, claim procedures, intention (if applicable) of plan to be an ERISA 404(c) plan, Qualified Domestic Relations Order (QDRO) procedures, and effect on participants' rights if plan is terminated.

Delivery

SPD recipient requirements

After reviewing the SPD, it should be provided to all active participants, retirees, beneficiaries of deceased participants receiving benefits and terminated participants with vested benefit rights, i.e., all participants and any beneficiary who has an account balance.

Required deadlines

For a new plan, the SPD must be provided within 120 days after the plan becomes subject to the reporting and disclosure requirements of ERISA.

For an updated, modified, or restated plan, the SPD must be provided within 210 days after the close of the plan year in which the change, modification, or restatement was adopted.

For newly-covered participants, the SPD must be provided within 90 days after the participant first becomes covered under the plan.

Delivery methods

The Department of Labor disclosure requirements state that you must use a delivery method that is reasonably calculated to ensure delivery.

- Acceptable delivery methods:
 - In-hand delivery at the workplace.
 - As an insert in periodicals provided to employees such as a company publication or union newsletter.

- First-class postal mail delivery. Second or third-class delivery is also acceptable if return and forwarding postage is guaranteed and address correction is requested.
- Electronic media delivery with certain restrictions (see Appendix A – Electronic delivery guidelines).
- Unacceptable delivery methods:
 - Posting on a bulletin board at the work site.
 - Furnishing via a computer kiosk at the work site.

For plan sponsor use only. Not for use with plan participants.

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Appendix A – Electronic delivery guidelines

Acceptable types of electronic media

- Company website
- Documents delivered as an email attachment
- Documents on magnetic tape or CD-ROM

Paper copy must be provided, if requested

All recipients who are required to receive the Summary Plan Description (SPD) must have the right to request the document in a paper form. The document must be provided free of charge.

Confirmation of actual receipt of electronic SPD

It is the plan administrator's responsibility to take the necessary steps and appropriate measures to ensure the electronic method selected results in the actual receipt by the participants. There are two ways to satisfy this requirement:

- Use the return receipt electronic mail feature.
- Conduct periodic reviews or surveys to confirm the integrity of the electronic delivery system.

Notice to those receiving the SPD electronically

At the time the document is transmitted electronically, all individuals need to be informed of the significance of the document, unless otherwise reasonably evident as transmitted. For example, if an individual receives the SPD as an attachment to an electronically transmitted message, or in the form of a message and hyperlink to the plan's website, the individual must be notified in the message that the communication contains important plan information. As stated above, this notice must inform the individual of the right to request a paper copy, free of charge.

Consent from those receiving the SPD electronically

- Delivery to active participants:
 - This group includes active participants whose duties require the accessing of an electronic information system including participants who work at home (provided accessing the employer's (plan sponsor's) electronic information system is an integral part of the participant's duties).
 - Participant consent is not needed for those in this group.
- Delivery to other participants and beneficiaries:
 - This group covers a participant, a beneficiary of a deceased participant, or other person entitled to documents such as an alternate payee under a Qualified Domestic Relations Order (QDRO).
 - Participant consent is needed for this group. If the hardware or software requirements are changed, the person must receive notice giving him/her the opportunity to withdraw consent.

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