

Special Edition,
November 15, 2007

employee plans news

PROTECTING RETIREMENT BENEFITS THROUGH EDUCATING CUSTOMERS

Internal Revenue Service
Tax Exempt and Government
Entities Division

A Publication of Employee Plans

Sample Notice to Participants Regarding Automatic Enrollment/ Automatic Contribution Arrangements Now Available

The IRS has posted a [sample notice](#) that plan sponsors may use to inform participants about their rights and obligations under the 2006 Pension Protection Act's (PPA) "eligible automatic contribution arrangements" (EACAs) and "qualified automatic contribution arrangements" (QACAs). The Service recently published [proposed regulations](#) on EACAs and QACAs, and employers adopting such plans when they first become available in 2008 must furnish a notice to participants at least 30 days before the beginning of each plan year.

The sample notice is for a hypothetical QACA that permits EACA withdrawals and has certain other characteristics. Thus, an employer will have to modify the sample notice to the extent a plan's form and operations differ from the hypothetical plan. The sample notice also contains text that will satisfy the information requirement for participant notices under the Department of Labor's recently issued [final rule](#) under ERISA §404(c)(5) on qualified default investment alternatives. •

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