

Not So Fast: DOL Releases Annual Funding Notice Guidance Just Before the Distribution Due Date

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Takeaway

- Plan administrators should review their plan's 2024 annual funding notice against the model notice and determine whether their plan's 2024 annual funding notice is compliant. If not, plan administrators are expected to take corrective action.

Related Links

- [Field Assistance Bulletin No. 2025-02](#)
- [Model Annual Funding Notice for Single-Employer Defined Benefit Plans](#)
- [Model Annual Funding Notice for Multiemployer Defined Benefit Plans](#)

Article

On April 3, 2025, the Department of Labor (the DOL) issued Field Assistance Bulletin 2025-02 (the FAB) and updated model annual funding notices for single-employer and multiemployer plans. The FAB addresses conflicts between section 101(f) of the Employee Retirement Income Security Act (ERISA), as amended by Secure 2.0, and DOL regulations at 29 CFR 2520.101-5, which predate the Secure 2.0 changes. The FAB is intended to clarify the conflicts until additional guidance or revisions can be made to 29 CFR 2520.101-5.

Section 101(f) of ERISA requires plan administrators of defined benefit plans to furnish an annual funding notice to participants, beneficiaries, the Pension Benefit Guaranty Corporation, if applicable, the union(s) representing participants or beneficiaries, and each employer required to contribute to a multiemployer plan. The changes made under Secure 2.0 are effective for plan years beginning after December 31, 2023. For plans with a calendar year plan year, the changes are required for the 2024 plan year annual funding notice.

Generally, annual funding notices must be provided no later than 180 days after the plan year end. For plans with a calendar year plan year, the 2024 annual funding notice must be provided no later than April 30, 2025. There is an exception for small plans, however: the annual funding notice must be provided by the earlier of the date the plan administrator files the annual Form 5500 or the date by

which the Form 5500 must be filed (including any extension).

While many plan administrators lean on their actuarial consultant to prepare the annual funding notice, plan administrators should be familiar with the Secure 2.0 changes. For example, the annual funding notice for single-employer plans should no longer disclose the plan's "funding target attainment percentage" and should instead disclose the plan's "percentage of plan liabilities funded."

The DOL acknowledges that the FAB was released just 27 days before the April 30, 2025, due date, and that some plan administrators may have already prepared or distributed the 2024 annual funding notice. Despite the eleventh-hour guidance, plan administrators are expected to take corrective action if the 2024 annual funding notice prepared and/or provided before the FAB was issued is not compliant with the guidance in the FAB.

Plan administrators should review their 2024 annual funding notice against the model notice and determine whether their plan's 2024 annual funding notice is compliant. Use of the model notice is optional. However, using the model notice will ensure "a reasonable, good faith interpretation" of the requirements under Section 101(f), as amended by Secure 2.0.

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