

SECURE 2.0 Act required provision guide

Annual paper statements



Purpose

The SECURE 2.0 Act contains a provision that requires defined contribution plans to provide paper statements to participants at least once a year. This requirement affects participants that have been defaulted into e-delivery by their plan sponsor, have a valid email address on file, and do not have a mail preference election on file.

Provision overview

The required annual paper statement provision of SECURE 2.0 requires defined contribution (DC) plans to provide at least one paper benefit statement annually to plan participants who have not affirmatively elected electronic delivery. The other three quarterly statements required under ERISA are not subject to this rule and may be provided electronically to a valid email address for participants who have not specifically requested paper statements.

- This provision is effective for plan years beginning after December 31, 2025.
- Participants who have been defaulted into electronic delivery by their plan sponsor as part of Vanguard's e-delivery service **are** subject to this requirement.
- The paper statement requirement does not apply to participants who have made an affirmative election for e-delivery with Vanguard.
- Vanguard is targeting fourth quarter statements in 2026 to be compliant with this provision.

Important note for plan sponsors:

The Department of Labor's 2020 e-delivery rule allows plan sponsors to default participants to e-delivery, provided they have a valid email address on file. Vanguard implemented this rule in 2021.

Key points for participants defaulted into e-delivery:

- Participants defaulted into e-delivery are required to get one paper benefit statement annually as required by this provision.
- Participants who do not wish to receive a paper benefit statement can make an affirmative election for electronic delivery through Vanguard's website.

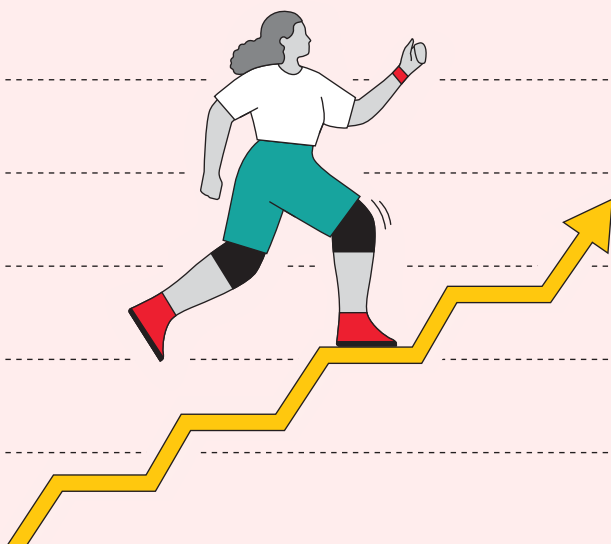


Effective date: January 1, 2026

Effective for: 401(k), 403(b), 401(a), money purchase, and defined benefit* plans

* This provision requires defined benefit plans to issue one paper statement every three years. Vanguard does not generate statements for defined benefit plans.

The SECURE 2.0 Act requires plan sponsors to provide their participants who have not affirmatively elected e-delivery with at least one paper benefit statement each year.



Vanguard's implementation

The annual paper statement requirement takes effect on January 1, 2026. Vanguard will comply with this provision by sending paper statements for the fourth quarter of 2026. Impacted participants should expect to receive their Q4 statements in early 2027, as soon as they have been generated.

Plan sponsor considerations

We encourage plan sponsors to notify participants defaulted into Vanguard's e-delivery service of this requirement. Participants who make an affirmative election for electronic delivery on Vanguard's website will no longer be subject to the annual paper statement requirement.

Vanguard action	Plan sponsor impact	Participant impact
<p>Vanguard is making technology updates to ensure compliance with this required provision well in advance of sending paper statements to impacted participants for Q4 2026.</p> <p>Beginning in 2026, Vanguard will update additional communications to inform participants of this requirement. Updated communications include:</p> <ul style="list-style-type: none"> E-delivery notification Additional required disclosures and legal notices Quarterly statement email reminder 	<p>Plan sponsors should communicate with their participants that have been defaulted into e-delivery to inform them that they are subject to the new annual paper statement requirement.</p> <p>Any new participants added to a plan after Q4 2026 will receive their mailed statement the first quarter they become eligible to receive a statement. For example, a new participant added to a plan in April 2027 would receive their first eligible statement in Q2 2027. From then on, they would continue to receive their quarterly mailed statement in Q2 based on their eligibility date.</p>	<p>Participants who do not want to receive benefit statements in the mail can make an affirmative election for electronic delivery by updating their mailing preference on Vanguard's website at www.vanguard.com/retirementplans.</p> <p>Participants who affirmatively elect electronic delivery on Vanguard's website will no longer be subject to the annual paper statement requirement.</p>

Reminder: Plan amendment deadlines

At the end of 2023, IRS Notice 2024-2 extended the deadline for plan amendments related to the CARES Act, SECURE Act, and SECURE 2.0.

December 31, 2026

Qualified DC plans (e.g., 401(k) and 403(b) plans)

December 31, 2028

Collectively bargained plans

December 31, 2029

Governmental 457(b) plans

As always, your Vanguard client success executive is here to help you with any questions you may have about the annual paper statements provision or the SECURE 2.0 Act.

Frequently asked questions

1. Who will receive one quarterly statement by mail each year?

Participants who have not made an affirmative election for e-delivery of statements but have been defaulted to e-delivery of statements by their plan sponsor as part of Vanguard's e-delivery service.

2. When can impacted participants expect to receive their first statement in the mail?

Vanguard is targeting Q4 2026 to comply with the annual paper statement requirement. Impacted participants can expect to receive their fourth quarter statements in early 2027.

3. How will impacted participants be notified that they will receive one quarterly statement by mail each year?

Vanguard's e-delivery service currently mails a one-time notification to participants who are defaulted to e-delivery by their plan sponsor. Starting in 2026, this notification will be updated to inform participants of this new requirement. Vanguard will also update the quarterly statement email reminder that is sent to participants.

4. Is there any way a participant can avoid getting unwanted statements through the mail?

Yes. Participants can make an affirmative election for electronic delivery on Vanguard's website at <https://ownyourfuture.vanguard.com/en/home/publogin>. Participants can choose e-delivery during their initial web registration or log in later and change their mail preference.

5. Will participants need to receive a new one-time notification in the mail as part of this provision?

No. The new one-time notification is only required for plans relying on the 2002 Wired at Work safe harbor for statements. Vanguard does not use this safe harbor for statements; therefore, this new notification is not necessary.

6. Besides mailing one quarterly statement per year, are there impacts to any other notices?

Yes. Any employer plan notice that we have the capability of sending through e-delivery will include additional language informing participants of their right to request paper copies, along with instructions on how to do so.

7. How will this affect any new participants added to a plan after Q4 2026?

Any new participants added to a plan after Q4 2026 will receive their mailed statement the first quarter they become eligible to receive a statement.

For example, a new participant added to a plan in April 2027 would receive their first eligible statement for Q2 2027. From then on, they would continue to receive their quarterly mailed statement for Q2 based on their eligibility date.

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