

[Company Name]  
[Address Line 1]  
[City, State, Zip Code]  
[Date]

[Employee Name]  
[Employee Address]  
[City, State, Zip Code]

**Subject: Annual ERISA Compliance Notice regarding the [Plan Name]**

Dear [Employee Name],

This letter serves as formal notification regarding the status and compliance of the [Company Name] Employee Stock Ownership Plan (the "Plan") for the plan year ending [Year].

As a participant in the Plan, you are protected by the Employee Retirement Income Security Act of 1974 (ERISA). We are pleased to confirm that the Plan remains in compliance with ERISA regulations and Internal Revenue Service (IRS) requirements.

**Key Compliance Information:**

- **Summary Annual Report (SAR):** Enclosed is the Summary Annual Report, which provides a financial overview of the Plan's assets, income, and expenses as filed with the Department of Labor on Form 5500.
- **Fiduciary Responsibility:** The Plan is managed by [Name of Trustee/Committee] for the exclusive benefit of participants and beneficiaries.
- **Valuation:** The fair market value of the company stock held by the Plan has been independently determined by [Appraisal Firm Name] as of [Valuation Date].
- **Vesting and Participation:** There have been [no changes / the following changes] to the vesting schedules or eligibility requirements during this period.

**Your Rights to Information:**

Under ERISA, you have the right to examine all Plan documents, including the summary plan description, trust agreements, and the annual report (Form 5500) at the Plan Administrator's office. You may also obtain copies of these documents upon written request.

If you have any questions regarding your individual account balance or the Plan's compliance status, please contact [Department Name/Contact Person] at [Phone Number] or [Email Address].

Sincerely,

[Authorized Signature]  
[Printed Name]

[Title]  
Plan Administrator

Enclosure: Summary Annual Report