



DOL requirements

OVERVIEW

Each ERISA plan is subject to an annual report requirement using one of the various versions within the Form 5500. Filing must be completed by the end of the seventh month after the end of the plan year. An extension of up to two and one-half months may be applied for by filing IRS Form 5558.

If the plan has 100 or more participants at the beginning of the plan year, Form 5500, along with Schedule H, should be filed. There is, however, a transitional rule for plans which allow a plan with between 80 and 120 participants to file the current year version of the form that was filed in the previous plan year.

Plans with more than 100 participants that file as a large plan are required to have a plan audit completed. An audit report will be required to be attached and submitted with the Form 5500. To complete the audit process many auditors request an “auditors package” which includes data and reports required to review plan operation.

Required attachments

Certain schedules must be attached to the Form 5500. Those schedules include:

Document	Description
Schedule A	Insurance Information (if applicable)
Schedule C	Service Provider Information
Schedule D	Direct Filing Entity/Participating Plan Information (if applicable)
Schedule G	Financial Transaction Schedules
Schedule H	Large Plan Financial Information
Schedule I	Small Plan Financial Information
Schedule R	Retirement Plan Information
Independent Auditor’s Opinion (If Applicable)	A certification that accompanies financial statements prepared by an independent auditor. It is based on an audit of the procedures and records used to produce the statements and delivers an opinion as to whether material misstatements exist in the financial statements.
Schedule of Assets Held	A schedule of assets held for investment purposes at end of year. Including a schedule of assets held for investment purposes that were both acquired and disposed of within the plan year, as applicable.

Plans with less than 100 participants are considered small plan filers and in most cases are eligible to file the Form 5500-SF (short form). This is an abbreviated reporting form that does not include any of the schedules listed for large plan filers. The same filing deadlines apply, but no audit is required.

IRS Form 5558

Form 5558 may be filed for an extension of time of up to two and one-half months to file the Form 5500. The form must be signed and dated by the employer or plan administrator and filed in sufficient time for the IRS to act upon it before the regular due date for the Form 5500. Only one extension may be granted. This form also extends the filing deadline for Form 8955-SSA.

IRS Form 5330

Form 5330 is used to report and pay penalty or excise taxes applicable to prohibited transactions, nondeductible contributions, excess contributions to 401(k) plans and reversion of plan assets to the employer.

IRS Form 5310

Application for Determination Upon Termination

- IRS Form 5310 is used for terminating a plan.
- IRS Form 5310-A is used for plan mergers or transfers.

IRS Form 8955-SSA

This form is filed with the IRS which in turn shares the information with the Social Security Administration. It reports the vested balances for participants that terminated employment one year prior to the current filing year and still maintain a vested balance. The form can also be used to “un-report” participants that were fully paid out in the current year but were previously reported on the SSA. The form must be signed, dated and mailed to the IRS. Filing deadlines are the same as the Form 5500. A copy of the filing should be retained as part of the permanent plan records. Depending on terminated participants that meet the reporting criteria, some plans may find they do not have any participants to report for a given year.

Summary Annual Report

Each year the plan is required to comply with the disclosure rules requiring the distribution of a Summary Annual Report (SAR). The SARs must be distributed to all plan participants and beneficiaries entitled to receive benefits no later than two months after the due date of the Form 5500 (including extensions). While these notices are not filed with the Department of Labor or Internal Revenue Service, copies should be retained as part of the permanent plan records with documentation as to whom they were distributed to and the date of distribution.

The primary purpose of a SAR is to inform participants (and beneficiaries) of the plan assets and the financial activity for the plan year. These reports are compiled using information found on the Form 5500 filings. The report is also required to inform participants of their right to additional information, where to obtain such information and where to obtain copies of the Form 5500 filings.

Summary of Material Modifications

The Summary of Material Modifications (SMM) describes changes or amendments to the plan document. In general, if a plan provision was disclosed in the Summary Plan Description (SPD), and the provision was subsequently amended; the change should be disclosed to the participants in an SMM. Similarly, if a feature was added to a plan and such feature would normally be described in the SPD, an SMM should be prepared.

The SMM must be distributed to participants and beneficiaries within 210 days after the end of the plan year in which the plan amendment is adopted.

Bonding

Generally, every fiduciary (anyone who has some discretionary authority or control over the plan or its assets) and anyone who handles funds or other property of the plan, must be bonded. The amount of the bond must be a minimum of 10% of plan assets, but not less than \$1,000. The maximum amount required is \$500,000 (\$1,000,000 if the plan holds employer securities).

The plan administrator can arrange for bonding from any surety company and may be able to “umbrella” the protections under an existing coverage.

The non-discretionary recordkeeping and administrative services described in this Service Overview are general in nature and reflect the standard service offering. Service descriptions are not specific to any plan provision or administration practice. The recordkeeper may agree to provide an alternate service arrangement, as applicable, if separately requested by the Plan Sponsor.