

Employee Benefits Security Administration

Getting Ready for Changes In Filing Your Plan's Annual Return/Report Form 5500

Do you file a Form 5500 annual return/report? If so, you need to be aware of important changes to the form and the filing process beginning with 2009 plan year filings.

To ease the transition, the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) is helping filers understand the new filing system and changes to the Form 5500 so you are ready when you need to prepare and file your annual report(s).

Electronic Filing

The way you file your plan's annual report is changing. Starting January 1, 2010, all employee benefit plans must file their 2009 annual reports electronically with the new EFAST2 system. Filing paper forms will no longer be an option.

EFAST2, which replaces the EFAST system, has been developed to streamline the reporting process, publicly disclose the reported information on the Internet, and provide Web-based forms that you can use to meet the electronic filing requirement at no additional cost to filers and the public.

You can use third-party software that has been approved for use with EFAST2 or you can file directly through the iFile program on the EFAST2 Web site. Either way, you must register with EFAST2 for a new user ID and PIN (Personal Identification Number) starting January 1, 2010 which you can use each year for all plan filings. Your EFAST PIN will not work on the EFAST2 system.

In EFAST2, once you have filed, you can find out within a minute whether your filing has been received and, within 20 minutes, whether there are any errors, what the filing status is, and whether you need to provide more information.

Form 5500

The Form 5500 also has a number of changes starting with the 2009 filing.

A significant change is the new Form 5500-SF, or "Short Form". The new two page form for certain small plans (generally under 100 participants) does not require any schedules or attachments, except in the case of defined benefit pension plans which must file an actuarial schedule. Form 5500-EZ filers who qualify and wish to file electronically may use the Form 5500-SF.

The changes include enhanced disclosure by large plans of fees and expenses paid to plan service providers receiving \$5,000 or more in compensation. Indirect compensation will be reported in more detail, including non-monetary compensation such as gifts, trips, meals, etc. and the identity of persons who provided key service providers with \$1,000 or more in indirect compensation. There is an alternative reporting option that may be available to simplify this reporting.

Internal Revenue Code section 403(b) plans covered by Title I of ERISA now will be treated like 401(k) plans for reporting purposes. This means that large plans will need to be audited and file a report of an independent qualified public accountant. Most 403(b) plans will be able to use the new Form 5500-SF.

New compliance questions were added as well as technical changes, such as bringing the Form up to date for the Pension Protection Act. There are also new feature codes for plans with automatic enrollment or default investment options.

Finally, a number of IRS-only schedules were removed to enable mandatory electronic filing. One of those, the Schedule SSA, must be filed with the IRS - it cannot be filed with the EFAST2 system. For more information about the form that replaces the SSA, contact the IRS (see below).

The Delinquent Filer Voluntary Compliance Program continues to be available with the move to electronic filing. In fact, is now easier to use with an online calculator to determine the penalties due and an online payment option.

For More Information

To help filers with the new EFAST2 system and the changes to the Form 5500, EBSA has an online tutorial, a list of approved third party software vendors, guidance, FAQs, a video, and other information available on the EFAST/EFAST2 Web site at www.efast.dol.gov. As always, the instructions are the best place to start if you have questions about the Form 5500. EBSA is also sponsoring and participating in webcasts, seminars and other outreach programs to help with the transition to the new system and the changes to the Form 5500. Check the EFAST/EFAST2 Web site for information on upcoming EBSA sponsored events.

In addition, you can call:

Employee Benefits Security Administration
1-866-463-3278

Internal Revenue Service
1-877-829-5500

Pension Benefit Guaranty Corporation (PBGC) (if you have a defined benefit pension plan)
1-800-736-2444