



# 5500 Reporting

**Presented by  
Ken Spencer & Holly Young**



May 2019

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- Successful
- The ELITE in your profession
- Motivation ...




**NAHU** Leading Producers Round Table



# QUESTIONS?

You may ask your question in the questions box at any time. Any questions that we do not answer during the webinar will be posted on the compliance corner webpage in the coming weeks.



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# TODAY'S PRESENTERS

**Ken Spencer**, MSHRM, SPHR, President & CEO for HR Service, Inc.

**Holly Young**, MA, SPHR, SHRM-SCP, HR Business Partner, HR Service, Inc.

## **HR Service, Inc.**

- **ERISA Solutions:** Web-based SPD Wraps, Automated EE Notices, 125 POPs, ACA Reporting, 5500 Reporting, legal alerts & Compliance Assessment/Dashboard
- **HR Solutions:** HR Support, Help Desk, Handbooks, HR Audits, Training, Etc.
- **TPA Solutions:** FSAs, HRAs, HSAs and COBRA
- 15 years in benefit compliance, HR and employment law

# AGENDA

- What is 5500 Reporting?
- Why is Reporting Required?
- Who has to Report?
- Penalties for not Reporting
- How to handle late Reporting
- 5500 Overview
  - Definitions
  - Voluntary Benefits
  - Schedules
- E-Fast System
- Gathering Information
- Summary Annual Reports (SARs)
- FAQs

# What is 5500 Report? Why Needed?

- Disclosure tool for plan participants and beneficiaries
- Information source for Federal agencies for benefit, tax and economic trends.
- Assure benefit plans meet standard protecting rights and benefits of participants



# Who Has to Report?

Health and welfare plans – 100 or more participants at the beginning of the plan year.

401(k) Retirement Plans – All groups regardless the number of participants.

Smaller Funded Plans – (Funded = Pays benefits from plan assets)

# Who are Exempt from Reporting?

Anyone not covered by ERISA (Government, Public Schools, and Church Plans)

Organizations with less than 100 participants at the beginning of the plan year for plans that are un-funded or fully insured, or a combination thereof.

# What if I use an SPD Wrap?

## **Summary Plan Description Wraps**

# Form 5500 Basics

## Deadline

- Last day of the 7<sup>th</sup> month after plan year ends (July 31 for calendar year plans)
- Automatic 2 ½ month extension available

## Plan Administrator

- Is responsible for signing and filing 5500
- Generally the plan sponsor unless another entity is designated

## Electronic Filing

- All Form 5500s must be filed electronically using EFAST2
- Can use DOL web application or third party software

# Penalties

\$2,140 per day with no Max for late filing with DOL

\$25 per day, up to \$15,000 Max for IRS late filing

A fine of \$100,000, imprisonment up to 10 years or both for willfully violating any provision of ERISA.

A fine of \$10,000, five years' imprisonment or both for making any false statement or representation of fact or for knowingly concealing or not disclosing any fact required by ERISA.

# Delinquent Filer Voluntary Compliance Program

- Gives delinquent filers a way to avoid potentially higher penalties
- Must meet submit late reports
- Pay lower penalty fee - \$10.00 per day not to exceed \$2,000. If more than one related late submission the maximum is \$2,000 for each annual report not to exceed \$4,000
- Search Delinquent Filer Voluntary Compliance

<https://www.dol.gov/agencies/ebsa/employers-and-advisers/plan-administration-and-compliance/correction-programs/dfvcp>

# Definitions

Fully-Insured = Benefits are provided exclusively through an Insurance Carrier and premiums are paid directly to that insurance carrier by the employer

Unfunded = Plan benefits that are paid from the general assets of the employer or employee organization that sponsors the plan

Funded = Plan assets are held in a trust, VEBA or other special account that is used to pay for plan benefits

Participant = Covered employee/pre-65 Retiree/COBRA  
Beneficiary

# 5500 Filing – Are Voluntary Benefits Reportable?

- Answer: generally yes, if pre-tax contributions; after-tax, it depends.
- They are required to be reported IF the plan sponsor is involved with at least one of the following items:
  - Selection or endorsement of the carrier(s);
  - Markets or recommends the benefit(s) offered;
  - Distributes information about the voluntary benefits with the other employer offered ERISA benefits;
  - Involved with the negotiation of rates;
  - States the program is subject to ERISA; or
  - Assists employees with claims or disputes.



# 5500 Required Schedules

- ❖ Schedule A – Applies to insured plans and includes details regarding premiums and commissions paid
- ❖ Schedule C – Service Provider Information I
  - Included i service provider was paid \$5,000 or more or if an accountant or actuary was terminated.
  - Does not apply to self-insured plans who utilizes an insurance carrier as an ASO **AND** the plan was unfunded
  - FSAs and HRAs are generally exempt under Technical Release 92-01
- ❖ Schedules G, H, I – applies to retirement plans and **funded** self-insured health plans, small or large – includes financial information

# E-FAST System

The screenshot shows the EFAST2 Login page. At the top is a red header with the United States Department of Labor logo and name. To the right of the header are links for 'Engage' and 'Share', and a search bar. Below the header is a navigation bar with links: DOL HOME, POPULAR TOPICS, AGENCIES, YOUR QUESTIONS, ABOUT DOL, NEWSROOM, and CONTACT DOL. The main heading is 'Employee Benefits Security Administration'. Below this is another navigation bar with links: EBSA HOME, ASK EBSA, ABOUT EBSA, WORKERS & FAMILIES, EMPLOYERS & ADVISERS, RESEARCHERS, KEY TOPICS, and LAWS & REGULATIONS. The page content is divided into a left sidebar and a main area. The sidebar has a 'Welcome > Login' link and a 'Filings' section with a link to 'Form 5500/5500-SF Search'. Below this is a 'Main' section with links: Welcome, Login, Register, About EFAST2, EFAST Software and Approved Vendors, and Forms and Instructions. Further down is a 'Support' section with links: IFILE, FAQ, Disaster Relief, Related Resources, Site Map, EFAST2 Publications, and Contact Us. At the bottom of the sidebar is the 'EBSA' link. The main area has a yellow box titled 'EFAST2 Login' with the instruction 'Enter your User ID and Password to log into the EFAST2 System.' Inside the box are input fields for 'User ID:' and 'Password:', a 'Login' button, and two buttons for 'Forgot User ID' and 'Forgot Password'. To the right of the box, there is a section titled 'You must register to:' with a list of requirements: 'Start and Complete ERISA filings through the EFAST2 system', 'Review and update ERISA filings', and 'Sign ERISA filings'. Below this list is a 'Register Now' link. At the bottom of the main area, there is a link to 'Forgot your UserID, Password, or PIN? Has your account been locked? Troubleshoot login problems with the EFAST2 Credentials FAQ.' and a link to 'Read EFAST2 Privacy Statement'.

UNITED STATES  
DEPARTMENT OF LABOR

+ Engage  
Share

Search

DOL HOME POPULAR TOPICS AGENCIES YOUR QUESTIONS ABOUT DOL NEWSROOM CONTACT DOL

## Employee Benefits Security Administration

EBSA HOME ASK EBSA ABOUT EBSA WORKERS & FAMILIES EMPLOYERS & ADVISERS RESEARCHERS KEY TOPICS LAWS & REGULATIONS

Welcome > Login

**Filings**

- Form 5500/5500-SF Search

**Main**

- Welcome
- Login
- Register
- About EFAST2
- EFAST Software and Approved Vendors
- Forms and Instructions

**Support**

- IFILE
- FAQ
- Disaster Relief
- Related Resources
- Site Map
- EFAST2 Publications
- Contact Us

**EBSA**

### EFAST2 Login

Enter your User ID and Password to log into the EFAST2 System.

User ID:

Password:

Login

Forgot User ID Forgot Password

You must register to:

- Start and Complete ERISA filings through the EFAST2 system
- Review and update ERISA filings
- Sign ERISA filings

[Register Now](#)

Forgot your UserID, Password, or PIN? Has your account been locked? Troubleshoot login problems with the [EFAST2 Credentials FAQ](#).

Read [EFAST2 Privacy Statement](#)

# Registration

## Employee Benefits Security Administration

[EBSA HOME](#) [ASK EBSA](#) [ABOUT EBSA](#) [WORKERS & FAMILIES](#) [EMPLOYERS & ADVISERS](#) [RESEARCHERS](#) [KEY TOPICS](#) [LAWS & REGULATIONS](#)

Welcome > EFAST2 Registration

### Filings

- Form 5500/5500-SF Search

### Main

- Welcome
- Login**
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- About EFAST2
- EFAST Software and Approved Vendors
- Forms and Instructions

### Support

- IFILE
- FAQ
- Disaster Relief
- Related Resources
- Site Map
- EFAST2 Publications
- Contact Us

### EBSA

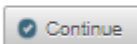
## EFAST2 Registration

You need to register through this website if you wish to sign or submit Form 5500 or Form 5500-SF filings.

When your registration is complete, you will be provided with EFAST2 credentials:

- User ID (used to identify you)
- PIN (used for your Form 5500 or Form 5500-SF electronic signature)
- Password (used to login to EFAST2 website applications such as [IFILE](#))

Click Continue and then follow the prompts to complete the seven-step registration process.



[EFAST2 Credentials FAQs](#) answer:

- I am not sure if I have already registered. How can I check?
- I registered but don't remember my credentials. How can I retrieve them?
- How do I unlock my account?
- Do I need to register each year?

Useful EFAST2 guides:

- [EFAST2 and IFILE Quick Start Guide](#)
- [EFAST2 Tutorial](#)
- [EFAST2 Guide for Filers and Service Providers](#)
- [EFAST2 IFILE User Guide](#)

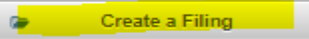
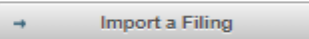
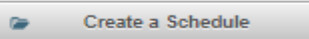

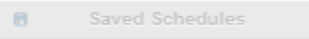
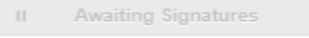
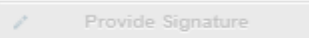
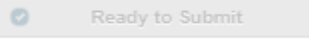
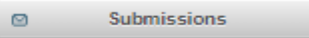


# Getting Started

Tasks shown below will only have an active button associated to them if that type of work is pending and/or authorized for your role. The number of items for each task that you have pending will be shown in the column marked "Items".

A [comprehensive listing](#) of the filings reflected below is also available.

If you do not see options for "Create a Filing", "Import a Filing", or "Create a Schedule" and you need to perform these tasks, go to User Profile and select "Change Profile" to add "Filing Author" and/or "Schedule Author" to your list of user types.

New Work		
Tasks		
To prepare a new Form 5500 or Form 5500-SF filing through IFILE, including related schedules and attachments, click <b>Create a Filing</b> .		
To import a previously-prepared filing in XML format, click <b>Import a Filing</b> . You must have a prepared Form 5500 or 5500-SF file with a filename that ends in .XML.		
To prepare a schedule separate from a Form 5500 or 5500-SF filing, click <b>Create a Schedule</b> . This is not a commonly-used feature but may be helpful to service providers such as actuaries who need to prepare only a Schedule MB/SB and not a 5500/5500-SF.		
Saved Work		
Task	Items	
To open a filing that has been saved in IFILE but not yet submitted, click <b>Saved Filings</b> .	21 Items	
To open a schedule that was created separately from a Form 5500 or 5500-SF filing, click <b>Saved Schedules</b> .	None	
Signatures		
Tasks	Items	
To see a list of filings that you have assigned for signature, click <b>Awaiting Signatures</b> . You can return to the filing or view/modify the signature assignments, if needed.	None	
To see a list of filings assigned to you for your signature, click <b>Provide Signature</b> .	None	
Filing Submission		
Tasks	Items	
To see a list of filings that have been signed and may be submitted to the Government, click <b>Ready to Submit</b> .	None	
To see a list of filings submitted to the Government that you have signed/submitted, click <b>Submissions</b> .	43 Items	

# Selecting the Correct Form

**Employee Benefits Security Administration**

EBSA HOME ASK EBSA ABOUT EBSA WORKERS & FAMILIES EMPLOYERS & ADVISERS RESEARCHERS KEY TOPICS LAWS & REGULATIONS

Home > Form Selection

**Filings**

- Create a Filing
- Import a Filing
- Create a Schedule
- Submissions
- Form 5500/5500-SF Search

**Main**

- Home
- Logout
- User Profile
- Unlink Requests

**Form Selection**

User:Holly Young

Some plans may be exempted from filing. See page 1 of [the instructions](#) for information regarding who must file.

☐ Help me determine the correct 5500 or 5500-SF form to complete

☐ I know which form 5500 or 5500-SF I want to complete

# The 5500 Form

[Forms and Instructions](#)

<b>Form 5500</b> <small>Department of the Treasury Internal Revenue Service</small>	<b>Annual Return/Report of Employee Benefit Plan</b> <small>This form is required to be filed for employee benefit plans under sections 104 and 4085 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). <b>Complete all entries in accordance with the instructions to the Form 5500.</b></small>	<small>OMB Nos. 1210-0110 1210-0089</small> <b>2018</b> <b>This Form is Open to Public Inspection</b>
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[View PDF](#)

Part I A-D
Part II 1-2
Part II 3-4
Part II 5-7
Part II 8
Part II 9-10
Part III

**Part I Annual Report Identification Information**

For calendar plan year 2018 or fiscal plan year beginning  and ending

---

**A** This return/report is for:

☐ a multiemployer plan

☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions)

☐ a single-employer plan

☐ a DFE (specify)

**B** This return/report is:

☐ the first return/report  
☐ an amended return/report

☐ the final return/report  
☐ a short plan year return/report (less than 12 months).

**C** If the plan is a collectively-bargained plan, check here ☐

**D** Check box if filing under:

☐ Form 5558  
☐ special extension (enter description)

☐ automatic extension

☐ the DFVC program

Save
 Save and Close
 Close

# Information Needed – Part I

- Plan Year
- Type of Plan
- Plan Anomalies
- Plan Exceptions

# Basic Plan Information – Part II

- Name of Plan
- Plan Number (three digit)
- Plan Sponsor Name and Address
- Phone Number
- EIN
- Business Code



# Basic Plan Information Cont...

- Plan Administrator Information
- Number of Participant Questions
  - Beginning of the year
  - End of the year
  - Includes retirees and those on COBRA
- Plan Codes

# Plan Codes

Information - Enter all requested information

### Plan Characteristics Codes

- ▶ Defined Benefit Pension Features
- ▶ Defined Contribution Pension Features
- ▶ Other Pension Benefit Features
- ▼ Welfare Benefit Features
  - 4A - Health (other than vision or dental)
  - 4B - Life insurance
  - 4C - Supplemental unemployment
  - 4D - Dental
  - 4E - Vision
  - 4F - Temporary disability (accident and sickness)
  - 4G - Prepaid legal
  - 4H - Long-term disability
  - 4I - Severance pay
  - 4J - Apprenticeship and training
  - 4K - Scholarship (funded)
  - 4L - Death benefits (include travel accident but not life insurance)
  - 4P - Taft-Hartley Financial Assistance for Employee Housing Expenses

# Basic Information cont...

- Plan Funding Arrangement
- Plan Benefit Arrangement
- Pension Schedules
- General Schedules

# Schedule A

## Insurance Information

[View PDF](#)

Part I 1-2   Part I Continued   Part II   Part III   Part IV

For calendar plan year 2018 or fiscal plan year beginning  and ending

---

**A** Name of plan

**B** Three-digit plan number (PN)

**C** Plan sponsor's name as shown on line 2a of Form 5500

**D** Employer Identification Number (EIN)

---

**Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions.**  
Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

---

**1 Coverage Information:**

(a) Name of insurance carrier

(b) EIN  (c) NAIC code

(d) Contract or identification number  (e) Approximate number of persons covered at end of policy or contract year

Policy or contract year


(f) From  (g) To

---

**2 Insurance fee and commission information.** Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid  (b) Total amount of fees paid

# Agent/Broker Information

 [View PDF](#)

Part I 1-2   **Part I Continued**   Part II   Part III   Part IV

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

[+ Add Service Provider](#)

(1 of 1)   [Previous]   [1]   [Next]   [Last]

**Agent/Broker(No.1)**   [Delete](#)   [-](#)

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

Name

Address ☐ US ☐ Foreign

Address Line 1

Address Line 2

City

State

Zip Code

**(b)** Amount of sales and base commissions paid

Fees and other commissions paid

**(c)** Amount

**(d)** Purpose

105 characters remaining.

**(e)** Organization Code

(1 of 1)   [Previous]   [1]   [Next]   [Last]

# Types of Benefits and Premium Info

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

---

**9 Benefit and contract type (check all applicable boxes)**

<input type="checkbox"/> a Health (other than dental or vision)	<input type="checkbox"/> b Dental
<input type="checkbox"/> c Vision	<input type="checkbox"/> d Life insurance
<input type="checkbox"/> e Temporary disability (accident and sickness)	<input type="checkbox"/> f Long-term disability
<input type="checkbox"/> g Supplemental unemployment	<input type="checkbox"/> h Prescription drug
<input type="checkbox"/> i Stop loss (large deductible)	<input type="checkbox"/> j HMO contract
<input type="checkbox"/> k PPO contract	<input type="checkbox"/> l Indemnity contract
<input type="checkbox"/> m Other (specify)	

100 characters remaining.

---

**9 Experience-rated contracts:**

**a Premiums:**

(1) Amount received	9a(1)	<input type="text"/>
(2) Increase (decrease) in amount due but unpaid	9a(2)	<input type="text"/>
(3) Increase (decrease) in unearned premium reserve	9a(3)	<input type="text"/>
(4) Earned ((1) + (2) - (3))	9a(4)	<input type="text"/>

**b Benefit charges:**

(1) Claims paid	9b(1)	<input type="text"/>
(2) Increase (decrease) in claim reserves	9b(2)	<input type="text"/>
(3) Incurred claims (add (1) and (2))	9b(3)	<input type="text"/>
(4) Claims charged	9b(4)	<input type="text"/>

**c Remainder of premium:**

(1) Retention charges (on an accrual basis) --	
(A) Commissions	9c(1)(A) <input type="text"/>
(B) Administrative service or other fees	9c(1)(B) <input type="text"/>
(C) Other specific acquisition costs	9c(1)(C) <input type="text"/>
(D) Other expenses	9c(1)(D) <input type="text"/>
(E) Taxes	9c(1)(E) <input type="text"/>
(F) Charges for risks or other contingencies	9c(1)(F) <input type="text"/>
(G) Other retention charges	9c(1)(G) <input type="text"/>
(H) Total retention	9c(1)(H) <input type="text"/>
(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)	9c(2) <input type="text"/>

**d Status of policyholder reserves at end of year:**

(1) Amount held to provide benefits after retirement	9d(1) <input type="text"/>
(2) Claim reserves	9d(2) <input type="text"/>
(3) Other reserves	9d(3) <input type="text"/>

**e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)**

9e

---

**10 Nonexperience-rated contracts:**

**a Total premiums or subscription charges paid to carrier**

10a

**b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.**

Specify nature of costs

1000 characters remaining.

# Provision of Information

<b>Schedule A (Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Insurance Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>File as an attachment to Form 5500.</b>  Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110
		<b>2018</b>
		This Form is Open to Public Inspection

[View PDF](#)

Part I 1-2	Part I Continued	Part II	Part III	<b>Part IV</b>
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**Part IV Provision of Information**

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☐ No

12 If the answer to line 11 is "Yes," specify the information not provided.

105 characters remaining

# Summary Annual Report (SAR)

- Required for some ERISA plans based on most current Form 5500
  - Funding and insurance information
  - Basic financial information
  - Rights to additional information (full annual report)
  - Offer of assistance in non-English language (if required)
- Must be provided within 9 months of the end of the plan year or within 2 months of extension period
- Required to plan participants who are enrolled at the time of the SAR distribution
- For delinquent filings, a SAR is not required



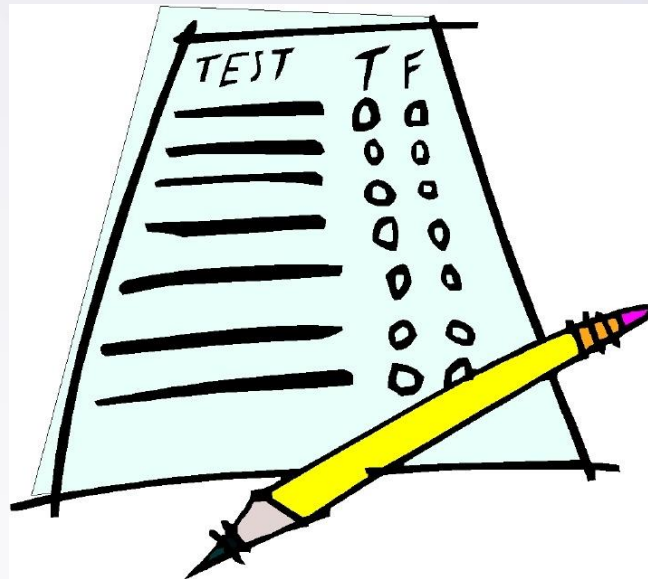
# SAR Exception

- A totally unfunded welfare plan need not distribute SARs
  - Benefits are paid out of general assets AND NO plan assets are maintained
  - Segregating participant contributions could result in a funded plan

# SAR Distribution

- Mail
- Email if DOL safe harbor is followed
  - Recommend return-receipt feature
- Employee must have ability to receive hard copy
- Posting on Company intranet is not enough

# TESTING YOUR KNOWLEDGE



# QUIZ 1

- 1) ABC Company sponsors the following plans: Medical, dental, vision, life and disability. ABC Company decides to offer a voluntary worksite plan that includes cancers, critical illness and voluntary disability. ABC Company will accept employee elections through the online benefit portal and deduct premiums from pay. Are the worksite plans subject to ERISA?
- 2) XYZ Company provides employees with a vacation plan where the employer tracks vacation hours based on a defined policy and sets aside money in a Trust account that all vacation hours are paid from? Is this plan subject to ERISA?

# QUIZ 1 ANSWER

1. If the employer does only as what is described in Q. 1 then the plan is probably exempt from ERISA; however if the employer promotes benefit meetings, adds their name/logo to enrollment paperwork, includes the offering in benefit guide, etc., the plans are more than likely ERISA plans.
2. YES! The employer has a defined vacation policy where money is set aside for the sole purpose of vacation pay.

# QUIZ 2

- 1) ABC employers offers a medical, dental, vision, life, STD, LTD, Voluntary Worksite and Wellness ERISA plan.
- The medical, dental, vision and wellness plans have an ERISA plan year of 1/1-12/31
  - The Life, STD and LTD plans have an ERISA plan year of 5/1-4/30
  - The Voluntary Worksite Plan has an ERISA plan year of 8/1-7/31

***Can the employer file One (1) combined 5500?***

# QUIZ 2 ANSWER

No. The employer technically has 3 ERISA plans = 3 filings. If the employer wanted to consolidate plans, each plan year would have to have a short plan year, final filing to align. This could take a couple of years to complete. Assuming all plans want to be combined under the plan year 1/1-12/31 the consolidation would look like this:

## **Consolidated filing for multiple plan years:**

Medical, dental, vision and wellness plans - ERISA plan year of 1/1-12/31

Life, STD and LTD plans - ERISA plan year of 5/1-4/30

Voluntary Worksite Plan – ERISA plan year of 8/1-7/31

Medical et al:

1/1-12/31/18, final filing

Life et al:

5/1/17-4/30/18, then short plan year and final filing 5/1/18-12/31/18

Voluntary:

8/1/17-7/31/18, then short plan year and final filing 8/1/18-12/31/18

New Filing all plans (assuming in a Wrap document)

1/1-12/31/19

# FAQs

- **For a health and welfare filing that is funded by insurance and/or general assets of the plan sponsor, what is reported for the self-insured benefits?**
- *If the health and welfare plan filing meets the conditions of the limited annual reporting exemption under 29 CFR 2520.104-44 or Technical Release 92-01, then the self-insured benefits are just reported as a benefit of that ERISA plan filing by using the appropriate benefit code(s) on line 8b of the Form 5500.*
- **What does this mean?** *If a self-funded plan is paid through general assets and provided through an insurance contract, then typically no schedule A or C is provided, and you simply report the appropriate benefit code on line 8b and no other documentation is needed.*



# FAQs

- **Are there any special filing requirements for Multiple Employer Welfare Arrangements (MEWAs)?**
  - *A MEWA is a "multiple employer trust" – It is an arrangement for a group of employers who pool their contributions in a self-contributing benefits plan for their employees. The employers make contributions into the plan based on the number of employees they have and the estimated costs associated with each employee. These are not as popular as they used to be. The employers in a MEWA typically do not have common ownership. A MEWA is similar to an association plan – but there are differences in how a MEWA and AP are structured.*
  - *MEWAs are subject to special reporting requirements, regardless of size or funding. MEWAs must complete Form M-1.*
  - *Failure to complete Form M-1 will cause the Form 5500 to be rejected!*

# FAQs

## ▪ What if there are plan sponsor name changes

**4** If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report:

**a** Sponsor's name

**c** Plan Name

**4b** EIN

**4d** PN

# FAQs

- **For a health and welfare filing of an EAP plan that provides more than referrals (counselling sessions) and is considered an ERISA plan, what plan code is used on the 5500 filing on line 8b?**
- *Use code 4Q*

[www.dol.gov/sites/default/files/ebsa/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2017-instructions.pdf](http://www.dol.gov/sites/default/files/ebsa/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2017-instructions.pdf)

# FAQs

- **How do you file a 5500 when a plan changes their ERISA plan year?**
  - *If an ERISA Plan year changes, a Form 5500 filing will need to be filed on the current plan year. This will be a SHORT plan year (filing for less than 12 months). This filing is due by the 7<sup>th</sup> month after the short plan year ends. If this is a final filing (plan terminates), be sure to check the box in line B as the final return/report. If this is not the final filing, the new plan year will resume as usual for a full 12 months based on the new plan year.*

# FAQs

- Example 1: Company A changes their ERISA plan year from 1/1 – 12/31 to 7/1 – 6/30 in 2017 due to business reasons. The 2017 filing will be a short plan year for 1/1 – 6/30/2017, and will be due by January 2018. The next filing will be due for plan year 7/1/17-6/30/18, due January 2019.
- Example 2: Company B is purchased by Company A in May of 2018. Company's B's ERISA plan ceases to exist as of the date of purchase. Company B's ERISA plan year is 4/1-3/30. Company B will file a short plan year, final return for 4/1/18-5/30/18. (*assuming no outstanding claims/assets*)

# FAQs

- **A plan is terminating due to being bought by another company. How is the 5500 filing completed?**
- *If a plan is terminating (merger/acquisition/closing/etc.) the filing must indicate this is the LAST annual return/report required to be submitted for the plan.*
- **Line B on Form 5500 indicates what the return is for (first return, amended, short, final)** Check the box that indicates the return is final.
- *Note: Mergers/Consolidations*
- A final return/report should be filed for the plan year (12 months or less) that ends when all plan assets were legally transferred to the control of another plan and all the numbers c
- e.g. Plan merger effective in 2017 but all assets did not transfer until 2018. Final 2018 filing is required; due 7 months following end of month that assets went to zero.

# FAQs

- **A plan has been filing a 5500 for the past 8 years but has determined for the following year they will not have to file because the plan has less than 100 participants (exemption). How is the current year filing done?**
- *Indicate on the Form 5500, Line B, what the report is for and then indicate 8b the appropriate code (4R would apply). This indicates the plan is exempt for the next filing year*
- *Should the number of participants covered by such a plan increase to 100 or more in a future year, the plan must resume filing Form 5500 and enter “4S” on line 8b on that year’s Form 5500.*
- *4R and 4S explain gaps in filing years.*

# FAQs

- **Company A has 5 ERISA plans and no Wrap Document. The plan is filing 5 separate Form 5500 filings and want to consolidate. Can the plan do this?**
- *Yes, but each current standalone plan will need to have a final filing completed as an individual plan, then combined going forward under a Wrap Document. Wrap documents are not retroactive, so this would be a future activity. .*



# FAQs

- **Company has been filing 5500 and currently includes a Schedule C on the filing – Based on the data, a Schedule C isn't required. Should they continue filing with Schedule C or try to amend/correct going forward and if so – how does that work? Would there be penalties?**
- *If Schedule C is not required, then you would discontinue using it.. Additionally, you would not go back and amend any prior year filings to remove it. It's fine that they filed with one...it simply was not required and there would not be any penalties.*

# FAQs

- **Should a Schedule A or C be provided by a Stop Loss provider and when should it be included in the filing?**
- *A provider should be providing a Schedule however you are only required to attach the Schedule A and/or report on Schedule C if the plan is funded This is more common on retirement plan 5500s than Health & Welfare.*



# Common Errors and Red Flags

- Don't fall in the trap of 'leaning' on the prior year filing.
- Confirm ALL information each year. (e.g. fidelity bond amount, plan feature codes, auditor, insurance contracts, Sch. C service providers, etc.)
- Be aware of form changes compared to prior year (e.g. Sch. H asset and income types, plan feature codes, business codes, required attachments, new questions, etc.)
- Not marking the filing as a short plan year if less than 12 months
- Not marking a filing as "amended" or "final" if applicable
- Not making sure all numbers are "0" for final filings
- Relying on last year's returns to check for accuracy
- Inconsistencies or blanks
- Sharp reduction in participation counts

# RESOURCES

Form 5500 Instructions (2017)

[www.efast.dol.gov](http://www.efast.dol.gov)

[www.irs.gov](http://www.irs.gov)

[www.dol.gov/ebsa](http://www.dol.gov/ebsa)

IRS Form 5500 Corner

Trouble shooters guide to Form 5500

[www.ftwilliam.com/djKlumIZlvmjgBE599Eo3NuoAelU5L  
Azbx2Xs/help/5500/hSAR\\_2015fws.html#FormWel](http://www.ftwilliam.com/djKlumIZlvmjgBE599Eo3NuoAelU5LAzbx2Xs/help/5500/hSAR_2015fws.html#FormWel)

Efast Help Line – 1-866-463-3278



# QUESTIONS?

You may ask your question  
in the questions box at any time.  
Any questions that we do not answer  
during the webinar will be posted on the  
compliance corner webpage in the  
coming weeks.

# RESOURCES

## Contact HR Service, Inc.

- Questions or assistance on 5500 Reporting or other needs

[Holly@HRServiceInc.com](mailto:Holly@HRServiceInc.com)

[Ken@HRServiceInc.com](mailto:Ken@HRServiceInc.com)

[\(855\) 685-8400 x 1](tel:(855)685-8400)

[www.HRServiceInc.com](http://www.HRServiceInc.com)

