



Bi-Monthly Report

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Form 5500 Electronic Filings and Restatement of Defined Benefit Plans

Electronic vs Paper Filings

Starting with the Plan Year beginning in 2009, the Form 5500 filing **MUST** be submitted to the Department of Labor (DOL) using its EFAST2 electronic filing program. The only exception to this rule is “one-participant” plans which may continue to file Form 5500-EZ on paper. A “one-participant” plan is defined as a plan in which the only participants (taking into account both active and former participants still entitled to benefits) are the sole proprietor or the sole proprietor and his/her spouse who are 100% owners of the business, or for a partnership, only partners, or the partners and spouses. The one-participant plan may file electronically. However, filings submitted via EFAST2 will be available to the general public at the DOL website; in other words the information on the forms is not private. Deadlines for the filing have not been extended. Therefore, for calendar year plans, the filing deadline remains as August 2, 2010 (July 31, 2010 is a Saturday this year) without extension, and October 15, 2010, with extension.

Signing The Electronic Form 5500

Although the Form and Schedules themselves may have changed, the most significant change in submitting the Form electronically for our clients will be the signing of the Form. As in the past, Pension Review Services (PRS) will compile the information received from the client to prepare the Forms. However, PRS will not be signing the form. The Plan Administrator (generally the client) is the signer. **The signer must obtain EFAST2 Credentials.**

Obtaining EFAST2 Credentials

EFAST2 Credentials are obtained by registering at the DOL website – www.efast.dol.gov.

To obtain the credentials, a profile is created at the website, which contains certain personal information. An email address is required. The website guides the user through the steps to create the profile and obtain the credentials. Generally it is a request for filing signer credentials (e.g. not filing author credentials). Note the credentials are personal and sharing of credentials is not permitted! Although certain company information may be entered during the registration process, the credentials given are for the individual – not the company.

The registration process, when complete, will provide a User ID, PIN (Personal Identification Number) and Password. These credentials will then be used when electronically signing the Form 5500.

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Forms Ready for Signature

Once the Form 5500 is ready for signature, PRS will post the Forms directly on the DOL website, using IFILE, or at a dedicated PRS site for Form 5500. PRS will notify you through email that the Form is ready and how to access it for signing. PRS will automatically be notified when the Form is electronically signed and will then transmit the signed Form to the DOL. Filing the Form electronically is required. However, the Plan Administrator must still keep a paper copy of the Form and all schedules and attachments with all required ink signatures in the Plan's files. The signed copies may then be stored electronically as long as the signatures are legible. In addition, the Plan Administrator (not PRS) retains the legal responsibility for the timeliness, accuracy and completeness of the submission.

Timing

As mentioned above, the Filing deadlines have not been extended. Internet issues will be no excuse for untimely filings. Therefore, the earlier the filing is made, the better. The closer the filing is made to the deadlines, the more likely there could be system delays.

Restatement of Pre-Approved Defined Benefit Plans

The time to restate pre-approved Defined Benefit Plans is now! All Defined Benefit Plans will need to be restated to incorporate IRS law changes collectively referred to as EGTRRA (the Economic Growth and Tax Relief Reconciliation Act). The IRS has just approved the defined benefit plan volume submitter documents and requires that all pre-approved Defined Benefit Plans be restated (regardless of when the plan was established) by April 30, 2012. Just as all Defined Contribution Plans (profit sharing, 401(k), and money purchase plans) completed the restatement process between Spring, 2008 and April 30, 2010, so ALL pre-approved Defined Benefit Plans must complete the restatement process as well. This is part of an IRS initiative to schedule restatements for pre-approved plans every six years. PRS clients will be contacted regarding the preparation of the restatement. If you are not a client, but would like PRS to prepare the required documentation please contact us.

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