

JOINT PROPOSAL TO MODERNIZE FORM 5500 REPORTING

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Recently, the Department of Labor's Employee Benefits Security Administration ("DOL"), the Internal Revenue Service ("IRS"), and the Pension Benefit Guaranty Corporation ("PBGC") joined efforts to propose revisions to the Form 5500 Annual Return/Report of Employee Benefit Plan and the Form 5500-SF Annual Return/Report of Small Employee Benefit Plan, filed by private-sector employee benefit plans ("5500 series reports"). The DOL simultaneously issued proposed implementing regulations.

The overarching goal of the proposal is to modernize and improve upon the 5500 series reports in a manner that will benefit filers and those who utilize the reports for informational, research, policy, and enforcement purposes, such as plan participants and beneficiaries, the DOL, IRS, PBGC, and other government actors. To that end, the proposed form revisions and regulatory action are designed to:

1. Update financial reporting requirements to take into account modern investment options and practices;
2. Improve on the reporting and disclosure of service providers' fees;
3. Improve accessibility and usability (i.e., data mineability) of reported information for research, policy, and enforcement activities;
4. Require all group health plans to file a Form 5500 Annual Return/Report, and allow group health plans to meet certain reporting requirements under the Affordable Care Act through their 5500 reporting; and
5. Improve plan compliance with ERISA and the Internal Revenue Code by adding compliance-related questions that would prompt fiduciaries to examine plan operations and assist the DOL, IRS, and PBGC with oversight and enforcement.

The proposed revisions and regulatory action are currently open to public comment. If adopted, the form revisions would begin to apply for 2019 plan year reporting.

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