



Retirement Planning

Form 5500 Reporting – EFAST2

Employee benefit plan reports (Form 5500) are required to be filed annually and are used by the U.S. Department of Labor (DOL), Department of Labor's Employee Benefits Security Administration (EBSA), Pension Benefit Guaranty Corporation (PBGC), and Social Security Administration (SSA), to carry out the provisions of the Employee Retirement Income Security Act of 1974, as amended, (ERISA) and other applicable statutes. Prior to July 1, 2009, Form 5500 and the applicable Schedules were submitted manually in paper form. Today, electronic delivery has made processing of the information more efficient, saving time, money and in many cases, avoiding errors, through the use of the government's EFAST2 system and approved vendor software. As a result, today, in almost all cases, filings MUST be done using the EFAST2 system.

Form 5500 Annual Returns/Report of Employee Benefit Plan is a tool used by governmental agencies and Congress itself, to assure that employee benefit plans are operated and managed in a manner consistent with applicable laws, rules and regulations, and to provide sufficient information to regulators to protect the rights and benefits of participants and beneficiaries. Form 5500 is also used by Congress, federal agencies, and the private sector, to assess employee benefits, tax, and economic trends and policies.

The EFAST2 system (ERISA Filing Acceptance System) was created by the DOL, IRS and PBGC to simplify and expedite the submission, receipt, and processing of the Form 5500 and Form 5500-SF (short form for small businesses). These forms must be filed each year by employee benefit plans to satisfy annual reporting requirements under the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code. The purpose of the EFAST2 electronic filing program is to require electronic filing by providing a convenient means of submitting completely paperless Form 5500 series

filings (except for Form 5500-EZ which must still be done manually). Vendor approved software is used to check and verify filings prior to transmission. This ensures that the filings are valid, in the proper format, and are less likely to contain mathematical errors than paper filings, thereby reducing employer exposure to possible civil penalties associated with deficient filings. In addition to reducing the cost of paper and postage on typical paper submissions, electronic filing also produces more accurate filings, which reduces correspondence with the Government.

The Form 5500 reporting requirements vary depending on whether the Form 5500 is being filed for a "large plan," a "small plan," and/or a direct filing entity (DFE). It also depends upon the particular type of plan or DFE involved (e.g., welfare plan, pension plan, common/collective trust (CCT), pooled separate account (PSA), master trust investment account (MTIA), or group insurance arrangement (GIA)).

Schedule A (Insurance Information) is required if any benefits under an employee benefit plan are provided by an insurance company, insurance service or other similar organization (such as Blue Cross, Blue Shield, or a health maintenance organization). This includes investment contracts with insurance companies, such as guaranteed investment contracts and pooled separate accounts. For a "small plan" (under 100 lives) many Plan Administrators or Third Party Administrators (TPAs) may choose to file using the "short form", Form 5500-SF. In "one participant" plans or plans covering only owners/partners (and their spouses), the 5500-EZ form may be used.

Under the EFAST2 program, Schedule A is not required to be filed with Form 5500-SF (under the EFAST2 program), or with the 5500-EZ form. However, while Schedule A need not be filed, it must still be made available to the Plan Sponsor and his/her tax and legal advisor as it contains important information that relates to costs and fees relating to the Plan.



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Please consult with your Guardian Financial Representative if you have any questions concerning this document.

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Guardian Financial Representatives may call the Business Resource Center for Advanced Markets, at 1.800.871.7780, Option 3, for additional information.

