

Get Ready—Your Form 5500 Must Be Filed Electronically for 2009

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For years beginning on or after January 1, 2009, Form 5500 for benefit plans must be filed electronically. Plan sponsors have two options for electronic filing. The first is through IFILE, which is available to file a Form 5500 through the DOL website. The second option is to use an approved, third-party vendor software program.¹ Altman & Cronin will use approved third-party vendor software, which will minimize complications for our clients.

All plan sponsors must use their Federal Employer ID number on the Form 5500. No social security numbers should be included anywhere in the Form 5500 filing. Additionally, Schedule SSA, which historically was used to report terminated deferred vested participants, is no longer included with the Form 5500 filing. Instead, this information will be filed separately with the IRS. (The IRS expects to introduce a new form to replace the Schedule SSA soon.) The Form 5500 filings will be made public so sponsors should be careful to avoid disclosing social security numbers and other sensitive information.

EFAST2 Credentials

Preparers and signers of Form 5500 will need access to the EFAST2 system in order to prepare and sign returns as discussed below. Access is controlled by requiring users to register with the DOL for "credentials" to use the EFAST2 system. Credentials are obtained by registering at the DOL website - www.efast.dol.gov. The DOL has established five user types under EFAST2, which are explained below. Parties will need to register for the specific credentials that allow the access for their areas of responsibility for a Form 5500. In other words, users will need to designate the credential for which they are registering. For example, Altman & Cronin staff will have a credential as "Transmitter" to be able to prepare and submit clients' Form 5500s. Although a total of five types of credentials or users are included by the DOL, many Altman & Cronin clients will only need a credential as the Filing Signer. Some clients who will transmit the Form 5500 will also need a credential as "Transmitter". The five types of credentials established by the DOL are as follows:

1. Filing Author-can complete Form 5500 and schedules, submit the filing and check on its status. This status is only needed if a plan is using the DOL IFILE program, which is not necessary for Altman & Cronin clients. Filing Authors must also register separately as Filing Signer if they will sign the return.
2. Filing Signer-can sign Form 5500 filings. Signers are responsible for the accuracy of the filing information. The signer's signature indicates that to the best of the signer's knowledge and belief the filing is true, correct, and complete. Signers include plan administrators and employers/plan sponsors. Registering as a Filing Signer does not permit the individual to act in another credentialed role unless such individual registers for the additional credential. For example, if the Filing Signer also prepares and submits the filing, that individual must also register as Filing Author, or as Transmitter if submitting through third party software.

¹A list of approved vendors can be found at the DOL efast website (www.efast.dol.gov). Such vendors may be certified to prepare filings, to submit filings or both.

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3. Schedule Author-can complete one or more schedules on IFILE. Such schedules must be exported by the Filing Author to become part of the filing. Schedule Authors cannot initiate, sign or submit a filing. Altman & Cronin clients will not need this credential.

4. Transmitter-can transmit Form 5500 filings to the EFAST2 system for processing on behalf of others. Transmitters are responsible for the security of the filing information prior to and during transmission. Our staff will have this credential. Clients will also need this credential if the client submits the Form 5500 for filing.

5. Third-Party Software Developer-makes Form 5500 filing preparation or transmission software for use in EFAST2. Altman & Cronin's vendor has this credential.

Attachments

A plan's audit report should be signed by the auditor and submitted electronically as a PDF file, which is submitted electronically along with the Form 5500. Schedule MB and SB should be signed by the actuary and similarly submitted as an electronic file or PDF included with the Form 5500 submission. Neither the accountant nor the actuary needs to register for credentials in order to sign their attachments.

Plan Sponsors

As noted above, a plan sponsor must have credentials as the "Filing Signer" in order to sign the return. The DOL has stated that the plan sponsor cannot give their PIN to a preparer to allow the preparer to sign on their behalf. A preparer will submit the "signed" return through EFAST2. The DOL, however, will permit practitioners to sign returns as the preparer and submit the returns on behalf of clients if certain requirements are met. In order to sign a return, the preparer must attest in a statement, included with the return, that (1) the plan administrator/sponsor has authorized the preparer to sign the return, and (2) an attachment is included as a PDF consisting of a copy of the first two pages of a manual Form 5500 signed by the plan administrator/sponsor (which serves as the plan administrator/sponsor's affirmation as to the truth, accuracy and completeness of the return). Also, the statement will acknowledge that the copy of the pages of the manual return included as a PDF will be made public along with the rest of the electronic filing, including a copy of the plan administrator/sponsor's signature.

We will soon be sending our clients additional information about the procedure we will use for filing Form 5500. Please let us know if you have questions about filing your Form 5500.
