



# Legislative Update

June 23, 2010

## Electronic Filing: Form 5500

Unless an exemption applies, the Employee Retirement Income Security Act (ERISA) requires the plan administrator of each separate ERISA plan to file an "annual report" Form 5500 with the Department of Labor (DOL). Public entities, like school districts and other governmental entities remain exempt from having to file Forms 5500, as do many small plans with fewer than 100 participants.

Beginning January 2010, the DOL's Employee Benefits Security Administration (EBSA) converted to an electronic system of online filing for the Forms 5500 (known as EFAST2). See Conner Strong's previously released [Update](#) and the DOL [fact sheet](#) for more background on the new DOL electronic filing system. Completed forms are submitted via the Internet. EFAST2 electronic credentials must also be obtained to sign and/or submit the Form 5500.

Under no circumstance will plans be allowed to mail in Form 5500 returns for plan years beginning on or after January 1, 2009. Calendar year filings will have until at least July 2010 to make the changes necessary to allow electronic filing. Prior year delinquent or amended Form 5500 filings must be filed electronically also with the exception of timely 2008 plan year filings, which may still be filed through the original paper system.

Completing and submitting Form 5500 under EFAST2 will generally involve the following steps:

- *Registering for electronic credentials.* This step requires completing basic contact information on the web to create a User ID, PIN and password. (Clients will need to register for a User ID and PIN for purposes of signing a completed Form 5500). The registration process is very easy. If Conner Strong is not preparing all of a client's filings, then the client may need to complete additional EFAST2 registrations, depending on how those filings are being prepared.
- *Creating a new filing, completing needed forms and schedules, and attaching supporting documents.* Filers can use either IFILE or approved commercial software to create a filing. Conner Strong will use Relius forms preparation software. Most attachments will be submitted in either PDF or text format.
- *Checking for and addressing any errors, prior to submission.* Form 5500 filings will be "validated" for errors before they are submitted.
- *Signing Form 5500 electronically.* The plan administrator must examine the

Form 5500 before it is submitted and electronically sign the Form 5500 (PINs must be protected and cannot be shared). We will invite our clients to a "signing ceremony" - meaning clients will receive an email from Conner Strong with a link to a secure website. Upon activating the link, the client will be taken to an electronic version of their return to review and approve. They will then print a hard-copy of the return (for "wet" signature) and also electronically sign the return, by inserting their User ID and PIN. A new [e-signature option](#) is also available that would allow a third-party preparer to obtain EFAST2 signing credentials and submit a Form 5500 on a plan administrator's behalf.

- *Submitting Form 5500 and checking its status.* Conner Strong will then submit the Form 5500 that the plan administrator has signed electronically. All the client will need to do is review, approve and electronically sign the return(s). But it is the plan administrator that retains legal responsibility for the submission's timeliness, accuracy, and completeness. The filing status of an EFAST2 filing should be available online about 20 minutes after submission.

Conner Strong is prepared to assist every step of the way through the electronic filing process for our client's health and welfare plans. Upon request, we can prepare the final filing packages and timely filings for review once we have confirmed receipt of all needed information to complete a filing. We can also handle the actual electronic submission and can provide clients with detailed information regarding the actual signing process. All filings that are received by EFAST2 will be posted on the DOL's website within 90 days of receipt. The public can submit and access filings online at [ERISA Filing Data Search](#). Sponsors must still maintain a fully-executed ("wet" signature) hard-copy of the return in the permanent plan files.

On **Tuesday, June 29th 2:00pm - 3:00pm EST** Conner Strong's Health & Welfare Compliance & Audit Practice will host a client webinar on *Forms 5500 & the New Mandatory Electronic Filing Requirements*. This call will be led by Phyllis Saraceni, Esquire, Senior Vice President - Health & Welfare Compliance and Audit and Joe DiBella, Executive Vice President of the Health & Welfare Practice [[Click here to register](#)].

**Should you have any questions, please contact your Conner Strong representative toll-free at 1-877-861-3220.**

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