



The Forms, They Are A-Changin'

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PARTICIPANT COUNT CHANGE

80/120

New rules to determine large plan status for DC plans beginning in 2023



- ▶ Has been based on Beginning of Year (BOY) participants/beneficiaries
 - ▶ Including participants with no account balances
- ▶ Now will be based on participants/beneficiaries with account balances
 - ▶ First plan year, use EOY participants
 - ▶ All other plan years, use BOY participants
- ▶ No change for DB plans
- ▶ New rule limited to plan years beginning in 2023 filed on new forms (released for filing January 1, 2024)
 - ▶ Fiscal year plan: Applies for plan year beginning in 2023
- ▶ Does not impact 5500-EZ

Participant count; 5500-SF



► 2022:

5a Total number of participants at the beginning of the plan year	5a	
b Total number of participants at the end of the plan year	5b	
c Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c	
d 1 Total number of active participants at the beginning of the plan year	5d 1)	
d 2 Total number of active participants at the end of the plan year	5d 2)	
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	

Line 5a
 Used for all plans for 2022
 Used for DB plans for 2023

► 2023:

5a Total number of participants at the beginning of the plan year	5a	
b Total number of participants at the end of the plan year	5b	
c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	5c(1)	
c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c(2)	
d(1) Total number of active participants at the beginning of the plan year	5d(1)	
d(2) Total number of active participants at the end of the plan year	5d(2)	
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	

DC Plans 2023 returns
Line 5(c)(2) –Used for first plan year
Line 5(c)(1) – Used for all other plan years

Participant count; Form 5500



Line 5

Used for all plans for 2022
Used for DB plans for 2023

DC Plans 2023 returns

Line 6(g)(2) –Used for first plan year

Line 6(g)(1) – Used for all other plan years

5	Total number of participants at the beginning of the plan year	5	
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1), 6a(2), 6b, 6c, and 6d).		
a(1)	Total number of active participants at the beginning of the plan year	6a(1)	
a(2)	Total number of active participants at the end of the plan year	6a(2)	
b	Retired or separated participants receiving benefits	6b	
c	Other retired or separated participants entitled to future benefits	6c	
d	Subtotal. Add lines 6a(2), 6b, and 6c.	6d	
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	
f	Total. Add lines 6d and 6e.	6f	
g(1)	Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	6g(1)	
g(2)	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g(2)	
h	Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	

Who gets counted



- ▶ Count as 1 (and only 1) participant with account balance
 - ▶ Participant with alternate payee
 - ▶ Alternate payee (no participant)
 - ▶ Deceased participant with 5 beneficiaries
 - ▶ LTPT participant who defers (has an account balance)
 - ▶ Terminated participant with stale uncashed check
- ▶ Do not count:
 - ▶ Participant (including LTPT) eligible to defer who does not do so and does not have an account balance

DB/DC; status



- ▶ DB plan: Count all participants. Rule hasn't changed
- ▶ DC plan: Count participants with account balances for 5500/5500-SF
- ▶ DB/DC tested as a single plan
 - ▶ **File two Forms 5500**
 - ▶ DB plan follows DB rules; DC plan follows DC rules
- ▶ Remember, new rule **ONLY** impacts 5500 status
 - ▶ **Does not impact who is a participant for purposes of**
 - ▶ Testing
 - ▶ Notices
 - ▶ ERISA (other than filing 5500 or 5500-SF)
 - ▶ Top heavy

Beware the EZ



- ▶ EZ filing is limited to plans not subject to ERISA
 - ▶ No participants other than owner(s)/spouse(s)
- ▶ Suppose sole proprietor has part-time assistant
 - ▶ Works 750 hours/year
 - ▶ Eligible to defer as LTPT in 2024; chooses not to defer; no balance
 - ▶ Plan is subject to ERISA in 2024
 - ▶ No longer eligible to file EZ
 - ▶ File SF with 2 participants; 1 with account balance

Beware the EZ



- ▶ The definition of participant includes anyone entitled to a benefit under the plan – not just active participants.
- ▶ Suppose sole proprietor has part-time assistant
 - ▶ Assistant terminates 1/5/2023 with a \$200 account balance.
 - ▶ Receives a lump sum distribution on 2/1/2023.
 - ▶ May not file an EZ in 2023
 - ▶ If no new employees hired/participate in 2023 and 2024, may file an EZ in 2024.

When do you count them



- ▶ Use the number of participants with account balances on the first day of the plan year (for first plan year only use last day of year)
- ▶ Do not use last day of prior year
- ▶ Example
 - ▶ 12/31/2022 403(b) plan had 200 participants eligible to defer
 - ▶ 1/1/2023 the plan had 75 participants with account balances
 - ▶ File 2023 return as small plan

Cash or accrual has a profound impact



▶ Example:

- ▶ Straight profit-sharing plan
- ▶ Established in 2023
- ▶ First contribution made in 2024
- ▶ Plan files on cash basis
 - ▶ Nobody has an account balance: Participant count is 0
- ▶ Plan files on accrual basis
 - ▶ Accounts based on allocation of 2024 contribution

Another example



- ▶ Calendar year 401(k) plan established in 2023
 - ▶ So participant count based on 2023 year end participants with account balances
- ▶ 140 Participants eligible to defer
 - ▶ Lines 5a and 5b of 5500-SF would show 140
 - ▶ Line 5c shows 0 participants with account balances on first day of year
- ▶ Suppose 80 participants defer during the year
- ▶ Employer makes 2023 PS contribution 3/13/2024, allocated to 140 participants
- ▶ Cash basis:
 - ▶ Line 5d shows 80 participants; Can file 5500-SF
- ▶ Accrual basis:
 - ▶ Line 5d would show 140 participants; Can't file SF; audited return

Going forward



▶ Cash basis

- ▶ 2024 beginning of year participants with account balances: 80
 - ▶ Can file SF
- ▶ 2025 beginning of year participants with account balances: 140+
 - ▶ Must file audited 5500

▶ Accrual basis

- ▶ Keep filing audited returns unless beginning of year participant count (with account balances) drops below 100

Optional 80/120 rule



- ▶ If at the beginning of the year the plan:
 - ▶ Had 80-120 participants, *and*
 - ▶ Filed a 5500 or 5500-SF for the prior year
- ▶ The plan **can** file on the same basis as last year
- ▶ In other words, if you filed last year as a small plan, you can file as a small plan this year if the plan has < 121 participants at the start of the year
 - ▶ DC 2023 is based on participants with account balances
- ▶ If you filed last year as a large plan, you can continue to file as a large plan this year if plan has at least 80 participants
 - ▶ But why?

80/120 example for calendar year plan



Year	1/1 Participants	Type
2020	75 total P	Small/SF
2021	100 total P	Large (but can file as small/SF)
2022	115 total P	Large (but can continue to file as small/SF)
2023	105 P with account	Large (but can continue to file as small/SF)
2024	121 P with account	Large
2025	110 P with account	Large
2026	95 P with account	Small/SF (can file as large)

Revisit 403(b) plan under 80/120 rule



- 12/31/2022 403(b) plan had 200 participants eligible to defer
- 1/1/2023 the plan had 85 participants with account balances
 - File 2023 return as small plan
 - Could file as a large plan, but why?

2022 fiscal year returns



- ▶ Plan year ends 11/30/2023
- ▶ 2022 5500 due 6/30/2024
- ▶ Use 2022 form
 - ▶ New form and new rules apply to 2023 returns filed after December 31, 2023
 - ▶ Large plan status based on total participants for 2022



NEW IRS COMPLIANCE QUESTIONS

Compliance questions: SF and Schedule R



Part VIII IRS Compliance Questions

14a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

14b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

- Design-based safe harbor method
- "Prior year" ADP test
- "Current year" ADP test
- N/A

15 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.

Part VII IRS Compliance Questions

21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

- Design-based safe harbor method
- "Prior year" ADP test
- "Current year" ADP test
- N/A

22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.

All retirement plans must answer these questions



- ▶ No longer have the adoption of not filing Schedule R unless:
 - ▶ You have a plan funded entirely by IRAs, or
 - ▶ This is a DCG filing (and compliance questions are on DCG)
- ▶ No edit checks
 - ▶ But non-answer is an answer
 - ▶ Example: SF question 15 asks for opinion letter if the plan is a pre-approved plan
 - ▶ Not answering says the plan is not pre-approved
 - ▶ OK, so where is your determination letter?

SF 14a; Schedule R 21a



- ▶ Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?
- ▶ What's permissive aggregation?
 - ▶ Choosing to test two plans as though they were a single plan for coverage and nondiscrimination
 - ▶ Must have same plan year and do testing the same way
 - ▶ Common examples:
 - ▶ DB/DC combo
 - ▶ Affiliated service group or controlled group with separate plans
 - ▶ Merely running the average benefit percentage test isn't permissive aggregation

Instructions



Leave blank for multiple employer plan

That's the only case you would leave it blank



Answer yes if the employer has chosen to combine this plan with another plan for coverage and nondiscrimination



Otherwise, answer no

SF 14b, Schedule R 21b



- ▶ If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).
 - ▶ The references are to the ADP and ACP tests
- ▶ This does not apply to a 403(b) plan
 - ▶ Not even if it is subject to the ACP test
- ▶ Multiple employer plans leave blank

Four possible answers



Design based safe harbor; includes:

- SIMPLE
- Classic safe harbor
- QACA
- After 2023: Starter 401 (k)

Current year ADP/ACP tested

Prior year ADP/ACP tested

Not applicable; examples:

- No NHCEs eligible to defer/receive match
- No HCEs eligible to defer/receive match
- ACP test for collectively bargained employees

Check all that apply



- ▶ You would check both design-based SH and current or prior-year tested if:
 - ▶ All employees can defer; 1 YOS to receive SH contribution
 - ▶ Plan uses ADP safe harbor but has after-tax contributions that must be ACP tested
 - ▶ Plan uses ADP safe harbor but matching contributions don't qualify for ACP safe harbor
 - ▶ Plan covers union and nonunion employees, and the nonunion portion is safe harbor while the union portion is SH

SF 15; Schedule R 22

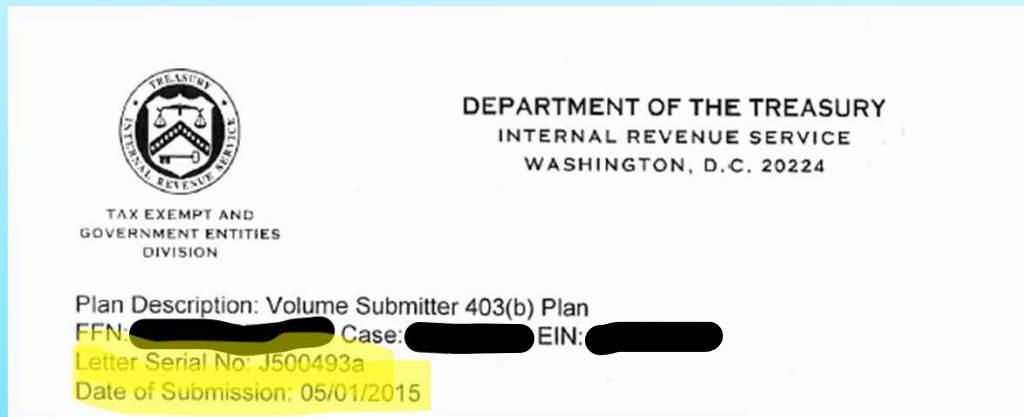


- ▶ If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/_____ (MM/DD/YYYY) and the Opinion Letter serial number_____.
- ▶ If the plan is a pre-approved plan, you must answer the question
 - ▶ Not answering the question is equivalent to saying you have an individually designed plan

Where to find the information



- ▶ Look at the opinion letter issued to the provider



- ▶ Alternatively, the IRS publishes a list:
<https://www.irs.gov/retirement-plans/list-of-preapproved-plans>

Plan Sponsor	City, State	FFN	Plan Type	LSN-Date
FIS BUSINESS SYSTEMS LLC	JACKSONVILLE, FL	31799070704-001	NON-STANDARDIZED ESOP	Q702653-06/30/2020
FIS BUSINESS SYSTEMS LLC	JACKSONVILLE, FL	31799070705-000	NON-STANDARDIZED PROFIT SHARING/MONEY PURCHASE/CODA	Q703007-06/30/2020

Significance of that list



- ▶ DOL publishes 5500 data, including answers to compliance questions

Part VIII	IRS Compliance Questions
14a	Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
14b	If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). <input type="checkbox"/> Design-based safe harbor method <input checked="" type="checkbox"/> "Prior year" ADP test <input type="checkbox"/> "Current year" ADP test <input type="checkbox"/> N/A
15	If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter <u>11 / 30 / 2020</u> (MM/DD/YYYY) and the Opinion Letter serial number <u>Q704309A</u> .

- ▶ Someone can go through the data and find out what plans used a particular opinion letter



MEPS AND DCGS

DOL view on MEPs and filing



- ▶ DOL requires that each ERISA PLAN file Form 5500
- ▶ ERISA PLAN includes:
 - ▶ Single employer plan
 - ▶ Controlled group/ASG plan
 - ▶ Certain MEPs
 - ▶ 2U: Association plan (defined in regulations)
 - ▶ 2V: PEO plan (defined in regulations)
 - ▶ 2W: Pooled Employer Plan (PEP registered with DOL)
 - ▶ 2X: Other/Plan with commonality/pre-existing business nexus (“closed MEP”)

What about “open MEPs”?

- ▶ DOL view is that they represent a series of separate ERISA plans
 - ▶ Each of which should file Form 5500
- ▶ IRS view is that they are a (single plan) under Code §413(c)



New Schedule MEP



- ▶ Schedule MEP is added to use with both 5500 and 5500-SF.
- ▶ Pooled employer plans (PEPs), regardless of size:
 - ▶ Must file 5500
 - ▶ Must include Schedule MEP
- ▶ New schedule takes the place of the Multiple Employer Plan Participating Employer attachment
- ▶ Other filing requirements unchanged

Schedule MEP Part I



- ▶ New Schedule MEP must be filed for all ERISA retirement MEPs
 - ▶ Does not apply to welfare plans

Part I	Type of Multiple-Employer Pension Plan. All multiple-employer pension plans must complete.
1 Check the appropriate box to indicate type of multiple-employer pension plan. (Only defined contribution plans may check lines 1a, 1b, and 1c. Defined benefit plans and defined contribution plans not checking lines 1a, 1b, or 1c should check line 1d. See Instructions).	
a	<input type="checkbox"/> association retirement plan (See 29 CFR 2510.3-55) (Complete Part II)
b	<input type="checkbox"/> professional employer organization plan (PEO Plan) (See 29 CFR 29 CFR 2510.3-55) (Complete Part II)
c	<input type="checkbox"/> pooled employer plan (PEP) (See 29 CFR 2510.3-44) (Complete Parts II and III)
d	<input type="checkbox"/> other multiple-employer pension plan (Describe) _____ (Complete Part II)

- ▶ Line 1(d) description possibilities:
 - ▶ DC plan of employers with pre-existing business relationship
 - ▶ DB multiple employer plan

Who would file as “Other MEP”?



- ▶ Kissing cousins
 - ▶ Significant common ownership
- ▶ Businesses that work together frequently
- ▶ Shared employee situations
- ▶ Spouses with a single plan for their separate companies treated as controlled group in 2023 and as unrelated in 2024
- ▶ Any DB “closed” MEP

Schedule MEP Part II



- ▶ Takes the place of existing MEP Schedule
- ▶ 2e, f, g are for sole proprietors, “working owners”
 - ▶ Not W-2 employees
 - ▶ Not partners of entities on earlier lines

2 All multiple-employer pension plans that are subject to section 210(a) of ERISA (see instructions for filing the Form 5500) must complete Part II, in addition to Part I, in accordance with the instructions, to report the information for each employer participating in the multiple-employer pension plan. Defined contribution plans must complete lines 2a-2d. All other multiple-employer pension plans complete lines 2a-2c only. Complete as many entries as needed to list the required information for each participating employer that is not an individual person (see instructions).

2a Name of Participating Employer	2b EIN	2c Percentage of Total Contributions for the Plan Year	2d Aggregate Account Balances Attributable to Participating Employer
2a Name of Participating Employer	2b EIN	2c Percentage of Total Contributions for the Plan Year	2d Aggregate Account Balances Attributable to Participating Employer

CAUTION Do not individually list information for working owners (see instructions and 29 CFR 2510.3-55(d)(2)) or other individuals who are participants or beneficiaries in the plan or arrangement that are no longer associated with a particular participating employer or participating employer plan (see instructions). Providing identifying information for individuals may result in rejection of this filing. If there are any such individuals in the plan, answer “Yes” to line 2e and provide the total information for all such individuals, without providing names or other identifying information.

2e Does the plan include any individuals not participating through an employer or who are individual working owners?	2e	<input type="checkbox"/> Yes <input type="checkbox"/> No
2f If you answer “Yes” in line 2e, enter a good faith estimate of the percentage of total contributions made by all such individuals that are not listed on line 2a during the plan year.	2f	
2g If you answer “Yes” in Line 2e, enter the aggregate account balances for all such individuals that are not listed on line 2a.	2g	

Schedule MEP Part III – PEPs only



Part III Pooled Employer Plan Information

Line 3. All Pooled employer plans must answer all of the questions in Part III, in addition to completing all of Parts I and II.

- 3a** Is the pooled plan provider (identified as the plan sponsor and administrator in Part II of the Form 5500) currently in compliance with the Form PR (Pooled Plan Provider Registration Statement) requirements? (See instructions and 29 CFR 2510.3-44) Yes No
- 3b** If line 3a is "Yes", enter the ACK ID for the most recent Form PR that was required to be filed under the Form PR filing requirements. (Failure to enter a valid ACK ID will subject the Form 5500 filing to rejection as incomplete.)
ACK ID _____



DEFINED CONTRIBUTION GROUP (DCG) FILING

Added by SECURE Act 202

May be more trouble than it is worth

New **option** for 2023 plan years: DCG



Only applies to separate ERISA DC plans that:

- have the same trustee;
- have the same one or more named fiduciaries;
- have the same plan administrator under ERISA and the Code;
- have the same beginning date for the plan year; and
- provide the same plan investments or investment options.

Could be used by

- Open MEP
- Set of unrelated separate plans
- Employer with several plans

Basic concept; DOL reception



- ▶ Allow these similar DC plans to file a single Form 5500
- ▶ Get a key benefit of a MEP without the hassle and risk
- ▶ DOL reaction
 - ▶ Less than impressed
 - ▶ But it's the law
 - ▶ So you can file a consolidated return for the group
 - ▶ Mandatory large plan filing
 - ▶ But each plan must file a separate Schedule DCG
 - ▶ Which looks a lot like 5500-SF

First 5500 question doesn't change



A This return/report is for:	<input type="checkbox"/> a multiemployer plan	<input type="checkbox"/> a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)
	<input type="checkbox"/> a single-employer plan	<input type="checkbox"/> a DFE (specify) _____
B This return/report is:	<input type="checkbox"/> the first return/report	<input type="checkbox"/> the final return/report
	<input type="checkbox"/> an amended return/report	<input type="checkbox"/> a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	<input type="checkbox"/>	
D Check box if filing under:	<input type="checkbox"/> Form 5558	<input type="checkbox"/> automatic extension
	<input type="checkbox"/> special extension (enter description) _____	<input type="checkbox"/> the DFVC program
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	<input type="checkbox"/>	

- ▶ ERISA Plan that is a MEP checks Multiple-Employer Plan box
- ▶ Controlled group/ASG checks Single-Employer Plan box
- ▶ DCG checks DFE box
 - ▶ Enter Code D
- ▶ Multiple ERISA plans that chose not to file as DCG file separate forms
 - ▶ Each checks Single-Employer Plan box

To DFE or not to DFE



- ▶ 5500 Line A -5500 Specify Type of Direct Filing Entity:
 - ▶ C=Common-collective trust;
 - ▶ D=Defined Contribution Group (DCG);
 - ▶ E=103-12 investment entity;
 - ▶ G=Group insurance arrangement;
 - ▶ M=Master trust investment account;
 - ▶ P=Pooled-separate account

DCG is like Group Insurance Arrangement



- ▶ With Group Insurance Arrangement, if there is a filing for the GIA as a whole, individual plans are excused from filing
- ▶ Similarly, if there is a filing for the DCG as a whole, individual plans are excused from filing
 - ▶ But there needs to be an attached Schedule DCG
 - ▶ In effect, the Schedule takes the place of the individual plans' 5500/5500-SF

Steps to file as DCG



- ▶ Check DFE Box; Code D
- ▶ File as large return: Form 5500; Schedules A, C, D (part 1), G, H, (no Schedule R)
 - ▶ Omit Schedule H lines 4e, 4f, 4k, 4l and 5
 - ▶ No audit for DCG as a whole
 - ▶ Financial information on H is sum of all plans
 - ▶ More detailed than on DCGs
- ▶ Attach Schedule DCG for each employer that is part of DCG
 - ▶ File one DCG for controlled group/ASG

Other 5500 notes



- ▶ Give the DCG a name for box 1a
- ▶ Plan sponsor, line 2a: In the case of a DCG, the DCG sponsor, but, if an individual sponsor cannot be identified, enter the common plan administrator's name and be sure to check the box in line 3(a). If the plan covers only the employees of one employer, enter the employer's name.

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules	b General Schedules
(1) <input type="checkbox"/> R (Retirement Plan Information)	(1) <input type="checkbox"/> H (Financial Information)
(2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary	(2) <input type="checkbox"/> I (Financial Information - Small Plan)
(3) <input type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	(3) <input type="checkbox"/> A (Insurance Information) - Number Attached _____
(4) <input type="checkbox"/> DCG (Individual Plan Information) - Number Attached _____	(4) <input type="checkbox"/> C (Service Provider Information)
(5) <input type="checkbox"/> MEP (Multiple-Employer Retirement Plan Information)	(5) <input type="checkbox"/> D (DFE/Participating Plan Information)
	(6) <input type="checkbox"/> G (Financial Transaction Schedules)

New Schedule H attachments for DCG 5500



- ▶ Items not reported on individual Schedules DCG
 - ▶ Plans holding assets with current value not readily determinable
 - ▶ Plans holding noncash contributions
 - ▶ Plans that had blackout period
 - ▶ Plans that failed to give blackout notice

5558 Extension of time for DCG



- ▶ File one extension for the DCG as a whole
- ▶ Attach a list of all the adopting plans
- ▶ Remember, DCG filing takes the place of individual filings for the underlying plans

Schedule DCG – Parts 1 and 2



Part I DCG Information	
A Name of DCG	B Three-digit plan number (PN) ▶
C DCG Sponsor's Name (enter here only if different from Name of DCG)	D Employer Identification Number (EIN) for DCG
Part II Individual Schedule DCG Information. Complete a separate Schedule for each individual defined contribution pension plan.	
E This Schedule DCG is for:	<input type="checkbox"/> a single-employer plan <input type="checkbox"/> a collectively-bargained plan
F This Schedule DCG is:	<input type="checkbox"/> the first Schedule <input type="checkbox"/> the final Schedule <input type="checkbox"/> an amended Schedule

- ▶ First Schedule = Never filed 5500 or DCG
- ▶ Final Schedule = Terminated plan
- ▶ Amended Schedule = Amend schedule DCG previously filed;
 - ▶ Must be attached to 5500 with ALL schedules
- ▶ Separate DCG for each employer/controlled group

Schedule DCG – Part III



Part III Basic Individual Plan Information	
1a Name of plan 	1b Three-digit plan number (PN)
	1c Effective date of plan
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box). City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)	2b Employer Identification Number (EIN)
	2c Plan sponsor's telephone number
	2d Business code
3 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Plan sponsor's name c Plan Name	3b EIN
	3d PN
4a Plan administrator's name and address	4b EIN
	4c Administrator's telephone number
5a Total number of participants at the beginning of the plan year	5a
b Total number of participants as of the end of the plan year	5b
c(1) Total number of active participants at the beginning of the plan year	5c(1)
c(2) Total number of active participants at the end of the plan year	5c(2)
d(1) Number of participants with account balances as of the beginning of the plan year	5d(1)
d(2) Number of participants with account balances as of the end of the plan year	5d(2)
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	5e

Audit based on these lines

Schedule DCG – Part IV



Part IV		Financial Information		
6	Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a	Total plan assets	6a		
	(1) Participant loans	6a(1)		
b	Total plan liabilities	6b		
c	Net Assets (subtract line 6b from line 6a).....	6c		

		Amount	
7a	Contributions received or receivable in cash from.....		
	(1) Employers.....	7a(1)	
	(2) Participants.....	7a(2)	
	(3) Others (including rollovers).....	7a(3)	
b	Noncash contributions	7b	
c	Total Contributions (add lines 7a(1)-(3) and line 7(b).....	7c	
d	Other income (loss)	7d	
e	Total Income (add lines 7c and 7d)	7e	
f	Benefit payment and payments to provide benefits.....	7f	
g	Corrective distributions (see instructions).....	7g	
h	Certain deemed distributions of participant loans (see instructions)	7h	
i	Administrative service provider's expense (salaries, fees, commissions)	7i	
j	Other expenses	7j	
k	Total expenses (add lines 7f, 7g, 7h, 7i, and 7j).....	7k	
l	Net income (loss) (subtract line 7k from line 7e)	7l	
m	Transfers of assets		
	(1) To this plan.....	7m(1)	
	(2) From this plan.....	7m(2)	

Schedule DCG – Parts V and VI



Part V Plan Characteristics																									
8	Enter the applicable two-character feature codes from the List of Plan Characteristics Codes in the instructions. <div style="border: 1px solid black; width: 100px; height: 20px; margin-top: 5px;"></div>																								
Part VI Compliance Questions																									
	<table border="1" style="display: inline-table;"> <thead> <tr> <th></th> <th>Yes</th> <th>No</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>9a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>b Were there any nonexempt transactions with any party-in-interest?</td> <td></td> <td></td> <td></td> </tr> <tr> <td>c Has the plan failed to provide any benefit when due under the plan?</td> <td></td> <td></td> <td></td> </tr> <tr> <td>d Was the plan covered by a fidelity bond?</td> <td></td> <td></td> <td></td> </tr> <tr> <td>e Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Yes	No	Amount	9a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)				b Were there any nonexempt transactions with any party-in-interest?				c Has the plan failed to provide any benefit when due under the plan?				d Was the plan covered by a fidelity bond?				e Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?			
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10	If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions)																								
10a	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 33%;">Name of plan(s)</th> <th style="width: 33%;">EIN(s)</th> <th style="width: 33%;">PN(s)</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Name of plan(s)	EIN(s)	PN(s)																					
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11	Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code? <input type="checkbox"/> Yes <input type="checkbox"/> No																								
12a	Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by <input type="checkbox"/> Yes <input type="checkbox"/> No combining this plan with any other plans under the permissive aggregation rules?																								
12b	If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2)? <input type="checkbox"/> Design-based safe harbor method <input type="checkbox"/> "Prior year" ADP test <input type="checkbox"/> "Current year" ADP test <input type="checkbox"/> N/A																								
13	If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.																								

Audit instructions



- ▶ A DCG participating plan must be audited and an IQPA report and audited financial statements for such plan must be attached to the Schedule DCG for that participating plan unless the plan is a small plan (plan that covered fewer than 100 participants with account balances as of the beginning of the plan year) eligible for the waiver of the annual examination and report of an IQPA under 29 CFR 2520.104-46.

Schedule DCG – Part VII



Part VII Accountant Opinion Information for Participating Plans

14 Is the plan required to attach a report of an independent qualified public accountant (IQPA)? (See instructions on eligibility and condition for waiver of the annual examination and report of an IQPA under 29 CFR 2520.104-46):

Yes No

Complete lines 14a through 14c if you checked "YES" and the report of an IQPA for the plan is required to be attached to this Schedule DCG.

a The opinion reflected in the attached report of an IQPA accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: (2) EIN:

Why file multiple plans as DCG



- ▶ Not a great incentive to do so
 - ▶ Doesn't avoid individual audits
 - ▶ Can't file 5500 until all audits of underlying plans complete
- ▶ You don't have to track down individual sponsors to sign
- ▶ Large employers don't need separate schedule H schedules
- ▶ Can file single 5558 for all plans
 - ▶ Attach schedule

DCG Common Investments



- ▶ One of the requirements of filing as a DCG is that all plans share same investments/investment options
- ▶ Do not need to keep same investments for a full plan year.
 - ▶ May be breach of fiduciary duties to do so
 - ▶ Sch H for DCG contemplates blackout periods
- ▶ “Options” can include certain brokerage accounts



OTHER CHANGES

Revised Schedule H



► 2022

2023

i Administrative expenses: **(1)** Professional fees

(2) Contract administrator fees

(3) Investment advisory and management fees

(4) Other

(5) Total administrative expenses. Add lines **2i(1)** through **(4)**

i Administrative expenses: **(1)** Salaries and allowances

(2) Contract administrator fees

(3) Recordkeeping fees

(4) IQPA audit fees

(5) Investment advisory and investment management fees

(6) Bank or trust company trustee/custodial fees

(7) Actuarial fees

(8) Legal fees

(9) Valuation/appraisal fees

(10) Other trustee fees and expenses

(11) Other expenses

(12) Total administrative expenses. Add lines **2i(1)** through **(11)**

Other changes



- ▶ 5500 characteristic code 3D now available for 403(b) pre-approved plan
- ▶ Schedule MB: revised to add Notes that clarify how to report special financial assistance for multiemployer plans
- ▶ Schedule R: Changed line 19 for DB plans with at least 1000 participants
- ▶ Schedule SB: Minor changes to lines 6 and 26

Form 5558 Extension request



- ▶ IRS announced it could be filed electronically
- ▶ NOPE! Not this year
- ▶ Revised so that it can only be used for 5500 series and 8955-SSA
- ▶ To extend form 5330, use Form 8868

8868



Form	8868	Application for Extension of Time To File an Exempt Organization Return or Excise Taxes Related to Employee Benefit Plans	OMB No. 1545-0047
(Rev. January 2024)		File a separate application for each return. Go to www.irs.gov/Form8868 for the latest information.	
Department of the Treasury Internal Revenue Service			
Electronic filing (e-file). You can electronically file Form 8868 to request up to a 6-month extension of time to file any of the forms listed below except for Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts. An extension request for Form 8870 must be sent to the IRS in a paper format (see instructions). For more details on the electronic filing of Form 8868, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits .			
Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.			
All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.			
Part I — Identification			
Type or Print	Name of exempt organization, employer, or other filer, see instructions.		Taxpayer identification number (TIN)
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions.		
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.		
Enter the Return Code for the return that this application is for (file a separate application for each return) <input style="width: 20px; height: 15px;" type="text"/> <input style="width: 20px; height: 15px;" type="text"/>			
Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 4720 (other than individual)	09
Form 4720 (individual)	03	Form 5227	10
Form 990-PF	04	Form 6069	11
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 8870	12
Form 990-T (trust other than above)	06	Form 5330 (individual)	13
Form 990-T (corporation)	07	Form 5330 (other than individual)	14
Form 1041-A	08		
<ul style="list-style-type: none"> • After you enter your Return Code, complete either Part II or Part III. Part III, including signature, is applicable only for an extension of time to file Form 5330. • If this application is for an extension of time to file Form 5330, you must enter the following information. 			
	Plan Name _____		
	Plan Number _____		
	Plan Year Ending (MM/DD/YYYY) _____		

8868 Part 3



Part III — Extension of Time To File Form 5330 (see instructions)

1 I request an extension of time until _____, 20____, to file Form 5330.

You may be approved for up to a 6-month extension to file Form 5330, after the normal due date of Form 5330.

a Enter the Code section(s) imposing the tax.

1a

b Enter the payment amount attached.

1b \$

c For excise taxes under section 4980 or 4980F of the Code, enter the reversion/amendment date (MM/DD/YYYY).

1c

2 State in detail why you need the extension.

Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made on this form are true, correct, and complete, and that I am authorized to prepare this application.

Signature

Date

Mandatory electronic filing



▶ 1099-R

- ▶ Beginning with returns required to be filed in 2024 (including returns for calendar year 2023), returns must be filed electronically if the employer files at least 10 returns in a calendar year.

▶ 8955-SSA

- ▶ 2023 plan year: e-Filing mandatory if employer files more than 250 returns
- ▶ 2024 plan year: Threshold drops to 10 returns

Announced changes for future



- ▶ New characteristic code for plans with Pension Linked Emergency Savings Accounts (PLESA)
- ▶ Unless told otherwise, aggregate PLESA contributions, distributions, and assets with other accounts
- ▶ IRS hoping to have electronic 5558 process in place for 2025

Thank you!



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 - ▶ [Plan Distribution eSource](#)
 - ▶ [Who's the Employer \(8th ed\)](#)
 - ▶ [403\(b\) Plan eSource](#)
 - ▶ [457 Plan eSource](#)
 - ▶ [Plan Correction eSource \(with Ilene Ferenczy and Alison Cohen\)](#)