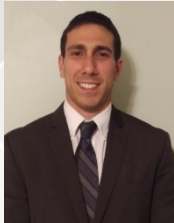




Stop...File Time!

The Preparation & Filing of the Form 5500

Presented by:



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Thomas Siano, Manager, Plan Consulting

 **Sentinel Benefits**
& FINANCIAL GROUP

CLIENT
 CLINICS



Save the Date

- Upcoming Events

- **September 14, 2016 from 6:00 – 7:00 pm EST**
Sessions @ Sentinel: Helping You Attain Financial Wellness

Register in “Webinars & Events” under “For You” at www.sentinelgroup.com

- **September 22, 2016 from 12:00 – 2:00 pm EST**
Lunch & Learn: Discover What Matters Most to Today’s Plan Sponsor

Details in “Webinars & Events” under “For Companies” at www.sentinelgroup.com

- **October 27, 2016 from 12:30 – 6:30 pm EST**
16th Annual Educational Exchange

Details in “Webinars & Events” under “For Companies” at www.sentinelgroup.com



Today's Agenda

- What is the Form 5500/Form 5500-SF
- How the Form 5500 applies to you
- Filing deadlines & extensions
- How your Form 5500 is prepared
- How to e-file
- Preparing for large plan audits



What is the Form 5500 (Annual Report)?

The Form 5500 Series is an important:

- Compliance, research, and disclosure tool for the DOL
- Disclosure document for plan participants and beneficiaries
- Source of information and data for use by other Federal agencies, Congress, and the private sector in assessing employee benefit, tax, and economic trends and policies.



Who Must File?

A return/report must be filed every year for every:

- Pension benefit plan
- Welfare benefit plan*
- Every entity that files as a Direct Filing Entity (DFE)

*depending on number of participants



What does Sentinel prepare?

Form Types for Small Plans

Form 5500-EZ for One-Participant plans (Owners and Their Spouses)

Form 5500-SF Annual Return/Report of Small Employee Benefit Plan

Schedule I for Small Plans not eligible for Form 5500-SF

Form and Schedules for Large Defined Contribution Plans (depending on plan design)

Form 5500 Annual Return/Report of Employee Benefit Plan

Schedule A Insurance Information

Schedule C Service Provider Information

Schedule D DFE/Participating Plan Information

Schedule G Financial Transaction Schedules

Schedule H Financial Information

Schedule R Retirement Plan Information



What does Sentinel prepare?

For Defined Benefit Plans

Form 5500 SB

Annual Funding Notice

Other applicable Schedules

- We also prepare and file directly with the IRS Form 8955-SSA on behalf of clients
- Prepare and provide clients with the Summary Annual Report (SAR) for dissemination to participants.



Summary Annual Report

- Annual statement in narrative form that summarizes the Form 5500 for the plan
- SAR due to participants the later of 9 months after the close of the plan year, or within 2 months following October 15th Form 5500 extension
- Can be added to your annual notices and fulfilled through our fulfillment service



Due Dates & Extensions for 5500s

Due Dates

- Last day of the 7th month after year end
 - (7/31 for calendar year plans)

Extensions

- Automatic 2 ½ months extension for plans when Form 5558 filed
- Sentinel will file the extension on your behalf
- No longer have to attach extension request to Form 5500

Did you know?

If the filing date is on a Saturday, Sunday, or Federal Holiday then the deadline for filing is the next business day.



Electronic Filing Requirement

- Under the computerized ERISA Filing Acceptance System (EFAST2), Plan Sponsors **must** file Form 5500 electronically
- Plan Sponsors may file through the EFAST2's web based filing system or through an EFAST2 approved vendor
- Sentinel prepares Form 5500s through approved vendors for our clients

Obtaining Credentials

- You must have your own DOL EFAST2 credentials, we cannot obtain this information for you.
- Obtain your credentials by registering on the DOL's website efast.dol.gov

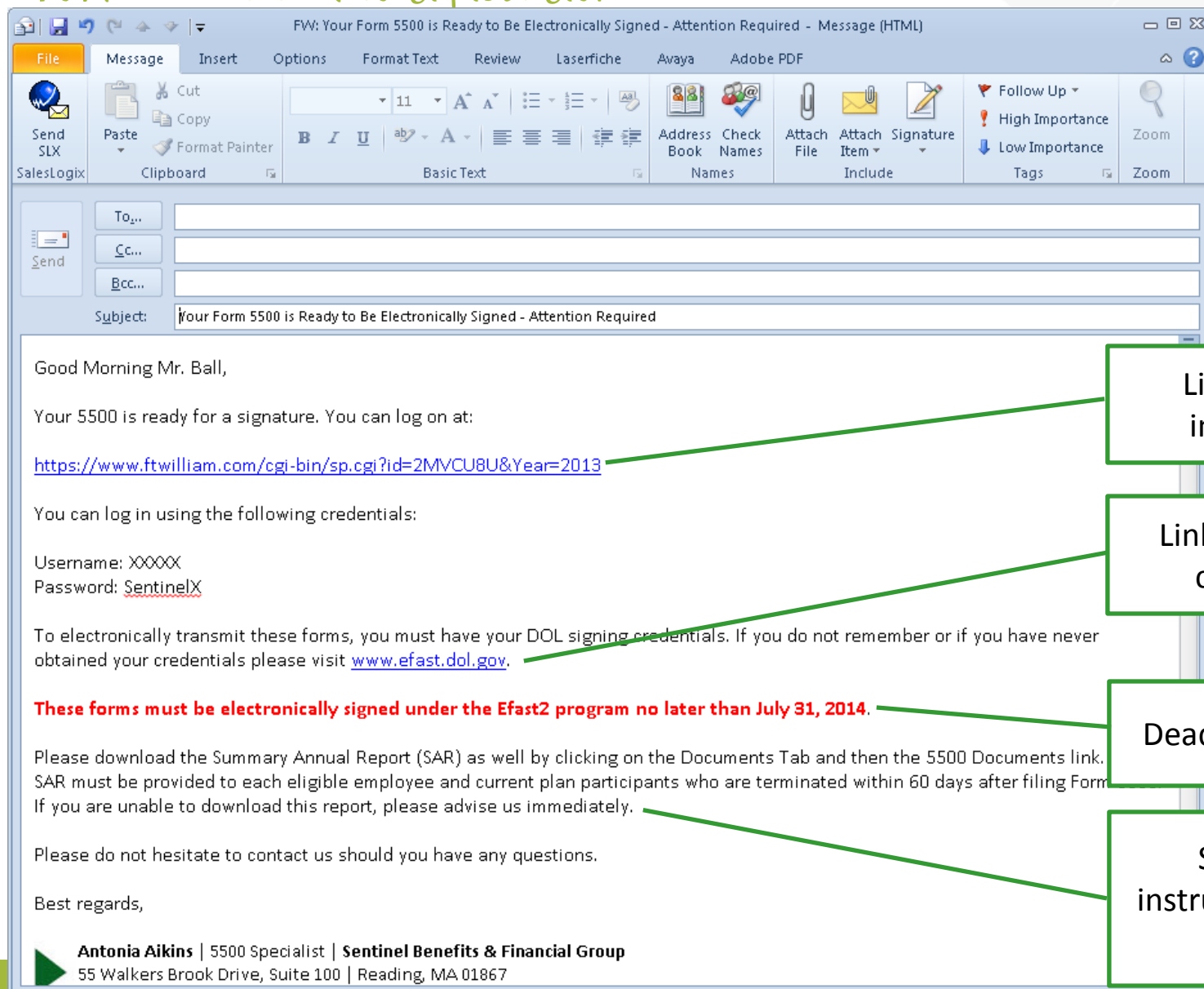
The screenshot shows the EFAST2 registration process on the DOL website. The header is red with the DOL logo and text: "UNITED STATES DEPARTMENT OF LABOR". Navigation links include "Subscribe to E-mail Updates", "All DOL", "EBSA", "Advanced Search", "A to Z Index", "Site Map", "FAQs", "DOL Forms", "About DOL", "Contact Us", and "Español". Below the header, there are links for "E-mail This Page" and "Print This Page". The main content area is titled "Register - Privacy Statement (Step 1 of 7)". It includes a "Filings" section with a link to "Form 5500/5500-SF Search", a "Main" section with links to "Welcome", "Login", "Register" (circled in red), "About EFAST2", "EFAST Software and Approved Vendors", and "Forms, Instructions and Publications", and a "Support" section with links to "IFILE" and "FAQ". The privacy statement text reads: "Thank you for visiting the Department of Labor (DOL) Web site and reviewing our privacy and security statement. DOL is strongly committed to maintaining the privacy of your personal information and the security of DOL computer systems. With respect to the collection, use and disclosure of personal information, DOL makes every effort to ensure compliance with applicable federal law, including, but not limited to, The Privacy Act of 1974, The Paperwork Reduction Act of 1995, and The Freedom of Information Act. As a general rule, DOL does not collect personally-identifying information about you when you visit our site, unless you choose to provide such information to us. The information we receive depends upon what you do when visiting our site. If you respond to an online request for personal information: Generally, DOL will use the information requested to respond to your inquiry or to provide you with the service associated with the request. However, when we request this information, we fully describe in a customized 'Privacy Notice' the reasons for collecting it and DOL's intended use of the information. This Privacy Notice will either appear on the Web page collecting the information or be accessible through a link prominently displayed immediately preceding the information request. If you visit our site to read or download information:



How to File

- Your Sentinel Plan Consultant will notify you when your Form 5500 is available.
- We work with two EFAST2 approved vendors:
 1. FT Williams
 2. SunGard Relius

Form 5500 Notification





How to File

- Follow the link and instructions provided
- Log in
- Follow the on screen instructions to select, print, and sign your Form 5500
- E-file your Form 5500

Contact your Sentinel Plan Consultant with any questions!



Penalties

Administrative Penalties:

1. A penalty of up to \$1,100 a day for each day a plan administrator fails/refuses to file
2. A penalty of \$25 a day for not filing returns for certain plans of deferred compensation, trusts and annuities, and bond purchases by plan due dates.
3. A penalty of \$1,000 for each failure to file an actuarial statement (if applicable).



Plan Audits – When is it required?

- Plans with 100 eligible participants on the first day of the plan year (120 if never previously audited)
- One way Sentinel can assist you in maintaining terminated, lost or unresponsive participant accounts is through our auto sweep distribution process
- Audits must be completed by the last day of the 7th month after the plan year end, unless Form 5500 is extended
 - Most audited plans extend their filing



Plan Audits – What does it entail?

Focus on two major areas:

- **Compliance** – verify the plan is operating in compliance with the DOL and IRS regulations
- **Financial Reporting** – determine the accuracy of the financial information as reported on the 5500 and plan statements



Plan Audits – What are the consequences?

- Penalty for missing audit report is \$150 per day up to \$50,000 for each filing



Plan Audits – Five Ways to Prepare

Document Gathering

- Executed plan docs (adoption)
- IRS determination letter
- Amendments
- SPDs, SMMs
- Committee meeting minutes
- Prior year's 5500s
- Etc.

Fiduciary Responsibility

- Form an administrative committee
- Hold regular meetings
- Take and retain committee minutes
- Develop and follow an investment policy
- Review fees
- Etc.

Operational Compliance

- Review plan eligibility provisions compared to actual practices
- Review plan definition of compensation compared to actual payroll procedures
- Deposit participant deferrals timely

Internal Controls

- Review data provided **to** TPA or record keeper on a regular basis
- Review data coming **from** TPA or record keeper on a regular basis
- Review plan reporting

Financial Reporting

- Addition of Schedule H
- Fair value accounting and disclosures
- Ensure Stable Value Funds satisfy criteria for “fully benefit responsive”



Plan Audits – How We Help

- Sentinel's Plan Consultants provide extensive audit support including:
 - Online access for full audit reports and valuations for auditors
 - Support any information requests or inquiries from the auditors throughout the audit

New Reporting for 2015

- Form 2015 Play Year End the financial forms (Form 5500-SF, Schedule H, and Schedule I)
- The department later released the section is not required
- Your filing will have this section left blank

Part IX IRS Compliance Questions	
15a Is the plan a 401(k) plan?	<input type="checkbox"/> Yes <input type="checkbox"/> No
15b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	<input type="checkbox"/> Design-based safe harbor method <input type="checkbox"/> ADP/ACP test
15c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	<input type="checkbox"/> Ratio percentage test <input type="checkbox"/> Average benefit test
16b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	<input type="checkbox"/> Yes <input type="checkbox"/> No
17a Has the plan been timely amended for all required tax law changes?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
17b Date the last plan amendment/restatement for the required tax law changes was adopted _____ Enter the applicable code _____ (See instructions for tax law changes and codes).	
17c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____ and the letter's serial number _____	
17d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____	
18 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
19 Were in-service distributions made during the plan year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If "Yes," enter amount _____	19
20 Were required minimum distributions made to 5% owners who have attained age 70 ½ (regardless of whether or not retired), as required under section 401(a)(9)?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A



Questions?

Contact Victoria or Thomas via email:
Victoria.Langdon@sentinelgroup.com
Thomas.Siano@sentinelgroup.com

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