


Form 5500 Update


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Today's Topics

- Things to know about the 2008 forms and schedules
- Late filings
- Fair value and FAS 157
- Changes to forms and schedules for 2009 plan years
- Mandatory e-filing for 2009
- Audits of employee benefit plans

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In the last 12 months....

- The case of Jeffrey Thomas
 - Pled guilty to filing a false Form 5500 in 2002
 - Court imposed \$153,000 in penalties and fines and a one-year term of federal probation
- Paid preparer penalties
 - Apply with regard to Forms 945, 990-T, 1099-R, 5330, 5500, and 5558.

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● ● ● | In the last 12 months....

- DOL issued proposed regulations establishing a safe harbor for the timely deposit of employee contributions
 - 7 business day threshold for small plans
 - Safe harbor does not apply to large plans
 - Affects completion of line 4a on Schedules H/I and also Form 5330 penalties
 - Also see FAB 2008-01

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● ● ● | In the last 12 months....

- IRS issues letters
 - On 2005 plan year filings that are missing
 - Stating that Form 5558 filing (to extend due date of Form 5500 filing) with no signature was invalid
 - Trust EIN invalid (i.e., "deactivated")

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● ● ● | Get a PTIN

- Paid preparers must disclose SSN or PTIN on Forms 945, 5330, and 990T (and others).
- May apply for PTIN using Form W-7P.

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● ● ● | In the last 12 months....

○ Fidelity bond rules

- For plan years beginning on or after January 1, 2007, required bond amount is \$1,000,000 for plans that hold employer securities.
- DOL issued FAB 2008-04 containing FAQs
 - Supplements fidelity bond booklet and other FAQs relating to small plan audit waiver

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● ● ● | New for 2008 plan years....

○ Annual Funding Notice replaces SAR

- Applies to PBGC-covered defined benefit plans only
- Large plan delivery date is 120 days after plan year end (i.e., April 30 for calendar year plans)
- Small plans have until the *earlier* of:
 - The date on which Form 5500 is filed, or
 - The due date, with extensions, for filing Form 5500 (this assumes the filing was not timely made!)
- See FAB 2009-01

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● ● ● | 2008 Form 5500





2008 Form 5500 and EZ

- Most significant items include
 - Actuarial schedules (SB and MB) replace Schedule B
 - Schedule R changes and new attachments
 - Short plan year filings for 2009

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Actuarial Schedules

- The Schedule B has been replaced with
 - Schedule SB for single employer plans
 - Schedule MB for multiemployer plans (and money purchase plans with funding deficiencies)
- Posted within 90 days of filing at
 - <http://askebsa.dol.gov/ppa/>

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Intranet Posting

- Applies to 2008 plan years - requirement to post Form 5500 on any intranet website maintained by plan sponsor
 - 2008 Instructions say...*"If a plan sponsor of a defined benefit pension plan...maintains an intranet website for the purpose of communicating with employees and not the public, the PPA requires the sponsor to post the plan's 2008 Form 5500 actuarial information [emphasis added] on that intranet website."*
 - No other guidance [yet?]

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Schedule R

- o Defined contribution plans
 - Line 6c attachment required if value > \$0
 - Report only contributions made by the date the Form 5500 filing is made
 - Generally, the sponsor has 8½ months after the end of the plan year to satisfy minimum funding requirements.

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Schedule R

- o Defined benefit plans
 - Look at 2009 Schedule R, Part V, lines 13-17
 - Attachments for multiemployer plans with a funding improvement or rehabilitation plan
 - All multiemployer plans have to provide certain participant data and negotiated contribution rates
 - All defined benefit plans have to report funding ratios before / after spin-off or merger
 - Plans covering > 1,000 participants at beginning of plan year have to disclose "distribution of assets"

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Distribution of Assets Attachment (Schedule R)

- o PBGC has responded informally to inquiries about how to classify asset types.
 - Stocks, investment-grade debt, high-yield debt, real estate, and "other" asset classes.
- o Assets held in master trusts, CCTs, PSAs, hedge funds, private equity companies, etc. should be disaggregated into the five asset classes.
- o REITs included with *stocks*; real estate limited partnerships are in *real estate* category.
- o Cash, cash equivalents, derivatives are in *other* category.

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Short Plan Years - 2009

- o Two filing options if due date before January 1, 2010
 - File on paper by due normal date using the 2008 form
 - Automatic extension until 90 days after the EFAST2 system goes "live" if the plan files the 2009 report electronically

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Late Filings:

Should DFVC Be Your Only Recommendation?

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Late Filing Options

- o Reasonable cause – what's the process?
- o Delinquent filer program
 - Submit late filing to EBSA in Lawrence, KS
 - Use form for year of late filing, or
 - Most current form available (with some exceptions)
 - After EFAST2 operational, no paper late filings accepted.
 - More information available on EBSA website or call 202/693-8360

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Late Filing Options

- o Delinquent filer program
 - Send DFVC penalty to Charlotte, NC
 - Attach copy of late Form 5500, but not schedules or attachments
 - May pay online using DFVCP Penalty Calculator
 - <https://www.askebsa.dol.gov/dfvcpay/calculator>
 - No paper sent to North Carolina in that case; only filing is sent to Lawrence KS.

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“Fair Value”



DOL Considerations

- o DOL targets line 4g of Schedules H / I
- o If no ready market exists, then auditor must evaluate plan's method for setting fair value
 - Is it appropriate?
 - Is it consistently applied?
 - Can the measurement be tested?
 - Should a specialist be engaged?

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Alternative Investments

- Increased plan investing in
 - Hedge funds
 - Real estate
 - Private equity funds
 - CCTs and PSAs
- Assets are often hard to value
- Some are filing as 103-12 IE

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Fair vs. Contract Value

- Fair value =
 - Current value (term used in official instructions)
 - Market value
- Contract value =
 - Book value
- ERISA §3(26) defines "current value" as fair market value where available and otherwise the fair value as determined in good faith by a trustee or named fiduciary, assuming an orderly liquidation at time of determination.

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2006 Accounting Guidance

- Affects Stable Value Funds, GICs
 - FASB Staff Position (FSP) AAG INV-1 and SOP 94-4-1, "Reporting of Fully Benefit Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans"

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SOP 94-4-1

- Applies ONLY to defined contribution plans
- Effective for plan years ending after December 15, 2006
- Applies to fully benefit responsive GICs, synthetic GICs and stable value funds in DC plans

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Fully Benefit Responsive Investment Contracts – DC Plans

- Traditional Guaranteed Investment Contracts (GICs)
 - Contract with insurance company
 - Guarantees a specified rate of return
- Synthetic GICs
 - Plan owns underlying assets
 - Insurance company or bank issues a wrapper contract to simulate performance of GIC
- Stable Value Funds: common/collective trust funds

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Form 5500 Considerations

- No changes in Form 5500 Instructions
- Form 5500 historically required:
 - fully benefit responsive insurance contracts at contract value
 - stable value funds at fair value
 - synthetic contracts at fair value
- Reconciling footnote to financial statements may be required

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Statements of Net Assets Available for Benefits Presentation

	2008	2007
Participant-directed investments, at fair value (Note x)	\$2,700	\$ 900
Net assets reflecting all investments at fair value:	2,700	900
Adjustment from fair value to contract value for fully benefit-responsive contracts	(700)	600
Net assets available for benefits	\$2,000	\$1,500

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- ### Schedule A Fair vs. Contract Value
- Lines 3 and 4 of Schedule A are *always* "current" or *fair* value.
 - General account holdings
 - If none – then everything reported at *fair* value on Schedules A, H, and I
 - If contract not fully benefit responsive, then *fair* value on Schedules A (line 3), H, and I
 - If contract is fully benefit responsive, then *contract* value on Schedules A, H, and I
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- ### FASB Statement 157
- Key provisions of FAS 157 and recently issued guidance
 - A new and uniform definition of "fair value,"
 - Acceptable valuation techniques,
 - A hierarchy framework for measuring fair value
 - Additional disclosure requirements about fair value measurements in the notes to the financial statements
 - Application of FAS 157 in uncertain markets
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Fair Value Hierarchy

- Level 1 inputs – quoted prices
- Level 2 inputs – observable inputs other than quoted prices included with level 1
- Level 3 inputs – unobservable inputs, for example, situations where there is little, if any, market activity for the asset.

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What's the point?

- For marketable securities
 - Greater transparency of custodial prices
- For non-marketable securities
 - Greater transparency to Fund Manager valuations
- Custodial Pricing Details
 - Custodial pricing policies, procedures and controls
 - Level determination report – preliminary bucketing may be provided
 - Vendor pricing methodologies

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Financial Statement Disclosures

- For fiscal years beginning after November 15, 2007 (so, 2008 plan years)
- References to FAS 132r (also referenced in Schedule R attachments!)
- Sample disclosure content in handout. Some public companies adopted FAS 157 last year.

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Fair Value Measurements

As of the beginning of the fiscal year ended November 30, 2007 the Plan adopted SFAS No. 157, "Fair Value Measurements." SFAS 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under SFAS No. 157 are described below:

Basis of Fair Value Measurement

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following tables set forth by level within the fair value hierarchy the Trust investment assets and investment liabilities at fair value, as of November 30, 2007. As required by SFAS No. 157, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Total Trust investment assets at fair value classified within level 3 were \$695,803,822, as of November 30, 2007, which primarily consists of the Trust's Stable Value Fund collective trusts and guaranteed investment contracts holdings. Such amounts were 13% of "Total investment assets" on the Trust's statements of net assets available for benefits at fair value as of November 30, 2007.

(in thousands)

Investment Assets at Fair Value as of November 2007

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 1,281,930	\$ 118,531	\$ —	\$1,400,461
Collective Trusts	1,350,437	—	—	1,350,437
Managed Accounts				
Cash and short-term investments	682,756	472	—	683,228
Common and preferred stocks	1,043,291	1,543	7,586(1)	1,052,420
Fixed income securities	12,117	35,966	—	48,083
Guaranteed investment contracts	—	—	70,671(2)	70,671
Money market and other mutual funds	7,220	—	—	7,220
Collective trusts	21,819	—	617,547(2)	639,366
Derivative contracts	6,029	211,525	—	217,554
Loans to participants	—	20,813	—	20,813
Total investment assets at fair value	\$ 4,405,599	\$ 388,850	\$ 695,804(3)	\$5,490,253

(1) Principally consists of private placement investments.

(2) Principally consists of investments in non-public investment vehicles.

(3) Level 3 assets were 13% of Total investment assets at fair value.

● ● ● | Pay Attention!

- Make sure your clients speak with their auditors early in the process about the auditors expectations with regard to disclosures
- You (your firm) may be expected to provide information to clients about pricing mechanisms
 - Issues with commingled funds – PSAs and CCTs

● ● ● | Getting Ready for 2009 Plan Year Filings



● ● ● | Transition from Paper

- EFAST2 scheduled to become operational 01/01/2010.
- EFAST and EFAST2 systems will overlap for a brief period
 - EFAST will continue to accept pre-2009 paper filings until October 15, 2010
 - EFAST will stop accepting electronic filings as of June 30, 2010.



No More Paper!

- o Beginning in 2010, all filings for prior years that are *late* or *amended* must be submitted for processing on the EFAST2 system (meaning, electronically).
 - Filers will submit late or amended information using 2009 (or later) year forms and schedules.

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No EFAST Correspondence Under New System

- Filers and service providers/submitters should pay close attention to the EFAST2 automatically generated list of errors/warnings.
- Filers will no longer receive post-filing written correspondence from EFAST requesting voluntary corrections of errors/incomplete filings within 30 days.

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2009 Forms Revisions

- Facilitate move to fully electronic filing system.
- Streamline and simplify small plan filing.
- Better disclosure on plan fees and expenses.
- Adopt Pension Protection Act (PPA) reporting changes.

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● ● ● | EBSA Outreach Activities

- EBSA committed to helping the filing public with these changes
- Working with professional organizations
 - AICPA
 - State CPA societies
 - Plan administrator groups
- EFAST2 Help Desk to answer filer inquiries

● ● ● | Electronic Filing with EFAST2

- Two ways to create & submit filings:
 - I-FILE (free web-based filing application)
 - Third party certified software
- May use in combination

● ● ● | EFAST2 Customer Services

- EFAST2 website
 - Users guides, Web-based tutorial, FAQs
- Staffed help desk and service ticket application
 - 1/866-GO-EFAST [866.463.3278]
 - Live support from 8am to 8pm (Eastern), Monday through Friday (except holidays)
- Electronic filer registration and support
- Filings submitted under EFAST2 will be posted on DOL's website
- Third party software certification and support

Electronic Filing Credentials

Used for:	User ID	PIN	Password	Secret Knowledge	Email Address
Signing	X	X			
Submitting	X	X			
Retrieve Ack	X	X			
Modify Contact Info	X		X		
Obtain Forgotten Credentials				X	X

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E-signature Process

Registration Procedure for Applicants (who could be filing transmitters, signers, or web portal users)

1. Applicant registers on EFAST2 IREG website
- Application submission
2. Server checks that contact information is complete, creates credentials and new IREG database record
- e-mail containing credentials and link to secure URL
3. Applicant obtains email, visits URL
- Acknowledgement of receipt
4. Server stores timestamp in associated IREG database record and activates credential

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Getting Started in EFAST2

- First step for all filers is registering for filing credentials through IREG application whether using I-File or third-party software
- Go to www.efast.dol.gov and click "Register"

NOTE: SYSTEM IS NOT OPERATIONAL AT THIS TIME. THIS IS A DEMO ONLY.

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Register - Final

Register - Finalize

Here is your EFAST2 profile information. Please note your User ID and PIN and keep them in a safe place. In order to complete the registration process, click "Next" to create your password.

User ID: A1002133
 PIN: 8439
 ETIN:

* Last Name: gbbt
 * First Name: marianne
 * Address: 200 constitution ave
 Address 2:
 * City/Town: washington
 * Country: US - United States
 * State: District of Columbia

Home

- Welcome
- Logout
- Register
- About EFAST2
- EFAST Software and Approved Vendors
- Home, Instructions and Publications

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- Search for Filings

Support

- FBI
- Disaster Relief
- Related Resources
- Contact Us

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Register - Password

U.S. Department of Labor
 Employee Benefits Security Administration
 www.efast.dol.gov

Register - Password

When you create your password, it must be between 10 and 16 characters long and must not contain spaces. You must use at least one letter and at least one number. Your new password must be different from your old password.

Password:
 Confirm Password:

Password Requirements

- Must be between 10 and 16 characters long
- At least 1 alpha character
- At least 1 numeric character

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Register - Complete

U.S. Department of Labor
 Employee Benefits Security Administration
 www.efast.dol.gov

Register - Confirmation

Successful Account Activation

Your account setup is now complete please retain your User ID and password to access the site in the future.

[Logout](#)

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I-FILE

- o Free, optional, 'no-frills' web based filing application available on DOL website
- o Certified third party software should provide filers with added value
- o Must obtain filing credentials through I-REG before using IFILE
- o Go to www.efast.dol.gov portal and click Login

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I-FILE - Homepage

The screenshot shows the homepage of the I-FILE system. At the top, it says "www.efast.dol.gov" and "Home - Filing Summary". Below this, there's a user profile for "User:marianne gibbs". The main content area is divided into sections: "Summary View" with a "List View" link; "Filings Awaiting Completion" with sub-sections for "In Progress", "Awaiting Signatures", and "Signed and Ready for Submit"; and "Other Work" with sub-sections for "Filings Awaiting Your Signature" and "Schedules". A right-hand navigation menu includes links for Home, Logout, User Profile, About I-FILE, I-FILE Software and Account Vendors, Forms, Instructions and Publications, Filings, Create a Filing, Import Filings, Submissions, Search for Filings(), Support, FAQ, Disaster Relief, Related Resources, and Contact Us. The footer contains "59", "Detroit ABC", "www.dol.gov", and "Spring 2009".

Create a Filing – Form Year

The screenshot shows the "Form Year Selection" page. It features the U.S. Department of Labor logo and "Employee Benefits Security Administration". The page title is "Form Year Selection" and the user is "User:marianne gibbs". Below the title, it says "Select the form year of the filing from the list and select 'next' to continue." There is a "Form Year" dropdown menu currently set to "--Select--". Below the dropdown are "Next" and "Cancel" buttons. A right-hand navigation menu is identical to the one in the previous screenshot. The footer contains "60", "Detroit ABC", "www.dol.gov", and "Spring 2009".

Create a Filing

U.S. Department of Labor
Employee Benefits Security Administration
www.efast.dol.gov

User: mannone gibbs

Select the type of filing from the list and enter an identifiable name then select "Create" to continue.

Form Type: FORM 5500
Filing Name: gibbs 401k plan 2009

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Create a Filing – Form 5500

Part I A-G	Part II 1-2	Part II 3-4	Part II 5-7	Part II 8	Part II 9-10	Save	Save and Close	Close
---------------	----------------	----------------	----------------	--------------	-----------------	------	----------------	-------

Form 5500 Annual Return/Report of Employee Benefit Plan 2009

Part I Annual Report Identification Information
For the calendar plan year: 2009 or fiscal plan year beginning _____ and ending _____

A This return/report is for: a multiemployer plan; a multiple-employer plan, or a single-employer plan; a DFE (specify) _____

B This return/report is: the first return/report; the final return/report; an amended return/report; a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here

D Check box if filing under: Form 5500; automatic extension; the DFVC program; special extension (enter description) _____

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I-FILE Workspace

www.efast.dol.gov

gibbs 401K plan 2009 Last Updated On : 01/19/2009

Add Attachments | Export | Create PDF | Associate Signers | Validate | Delete | Close

Forms and Schedules

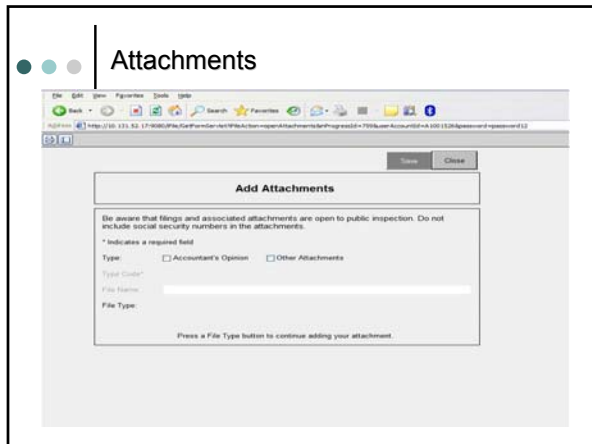
Form 5500

Attachments

Available Schedules

- Schedule A
- Schedule MB
- Schedule DB
- Schedule C
- Schedule D
- Schedule G
- Schedule H
- Schedule I
- Schedule R

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Attachments

- o Must be in PDF
 - Accountant's opinion must be a scanned document within the PDF
 - Must show letterhead including mailing address
 - A signed copy of the Actuarial Schedules (MB / SB) must be scanned to PDF and included as an attachment
 - Separate attachments have to be in separate PDF
 - For example, line 4i attachment must be separate from supplemental schedule that is part of accountant's opinion and financial statements

Filing Summary List View

Form Name	Form Type	Plan Year	Status	Submit Date	Submit Date
MB Annual Full Filing	Form 1000	2009	In Progress	Oct 14, 2009 09:00	
SB Annual Full Filing	Form 1000	2009	In Progress	Oct 14, 2009 09:00	

Replicating Filings

Replicate - Plan Year Choice

Filing To Replicate: My First Short Form

Name Of New Filing:

Choose a plan year for your replicated filing

Replicated For Current Plan Year

Replicated For Next Plan Year

Submit Cancel

Signing a Filing in I-FILE

- Associate a Signer
 - Open/Import a filing in progress
 - Click associate signers
 - Enter a registered filing signer's email address
- Signer applies signature
 - Opens the filing in progress
 - Click sign filing
 - Enters User ID and PIN and selects signature line

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Associating a Signer

U.S. Department of Labor
Employee Benefits
Securities Administration
www.efast.dol.gov

My Second Full Filing
Last Updated On: 10/19/2008

Add Attachments Export Create PDF Associate Signers Validate Delete Close

Forms and Schedules

Schedule IB	Open
Schedule II	Export
Schedule III	Create PDF
Schedule IV	Delete

Available Schedules

Schedule A	Create
	Import

Attachments

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Specifying Registered Signer(s)

Associate a Signer
Please add any required signers. You may delete or add signers at any time. Once signatures have been added, you may check here to see which ones are still needed.

* Email: Add

email	name	signed as	
EFAST2.F0a@gmail.com	Leslie MacSore		Delete

Done

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Specifying Unregistered Signer(s)

Associate a Signer
Please add any required signers. You may delete or add signers at any time. Once signatures have been added, you may check here to see which ones are still needed.

The following error(s) have occurred
The email you entered cannot be found, please check your entry. If your entry is correct, please ensure that the signer is registered within the EFAST2 system.

* Email: Add

Email	Name	Signed As	
EFAST2.R0a@gmail.com	Leslie MacSore		Delete

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Filing Summary

U.S. Department of Labor
Employee Benefits
Security Administration
www.efast.dol.gov

Home - Filing Summary

User: Third Party

Summary View [List Sign](#)

Filing Awaiting Completion

In Progress Your filings are saved to be edited further.
1 Items

Awaiting Signatures Your filings are saved but the users designated to provide signatures have not signed the filing yet.
1 Items

Signed and Ready for Submit All required signatures have been acquired. The filing is ready to be submitted.
0 Items

Other Work

Filing Awaiting Your Signature You must sign these filings before they can be submitted.
0 Items

Schedules Schedules that you have created.

Search: J.A.N.Leddy

- Home
- Sign
- Cancel
- View Profile
- Logout
- Help
- Registration/Unregister
- Third Party Software
- Entity Software
- Support
- About EFAST2
- FAQ
- Accessibility
- Software and Technical Support
- Entity Information and Notifications
- System Status
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Application of Signature

Sign A Filing

Sign A Filing

* User ID:

* PIN:

* Please select the role for which you are signing:

- Select --
- Plan Administrator
- Plan Sponsor
- DFE

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Internet Filing Acceptance Service

- IFAS automatically receives and tests filing submissions
 - *Unprocessable*: EFAST2 couldn't receive the submission
 - *Processable*: Submissions are received but may not be an OK filing for the DOL, IRS, or PBGC
- Filers will see a list of problems if they validate before submission
 - Problems appear as *Stop*, *Error*, or *Warning*
- Filers receive an "acknowledgement" shortly after submission
 - Filers must retrieve final errors/warnings upon receipt of acknowledgement

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Form 5500 Revisions

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Big and Small Changes

- New Form 5500 SF (short form)
 - Reminiscent of old Form 5500-R
 - Less paper but about the same amount of information

- Schedule C
 - Expanded detail on fees paid by plan
 - No employer paid fees reported

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New Form 5500-SF

- Two Page "Short Form" 5500 for small plans (under 100 participants). Can use if:
 - Exempt from annual audit requirement;
 - 100% invested in secure investments that have a readily determinable fair value;
 - Hold no employer securities; and
 - Not multiemployer plan.

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New Form 5500-SF

- No Schedules required except defined benefit plans required to file actuarial schedule.

- Form 5500-EZ filers choice of
 - e-filing Form 5500-SF with EFAST or
 - Filing paper Form 5500-EZ with IRS.

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Form 5500 Revisions

- IRS-only Schedules E or SSA removed to enable mandatory e-filing.
- Enhanced disclosures on plan fees and expenses.
- Puts 403(b) plan reporting on par with 401(k) plans.
- Better data on defined benefit pension funding and multiemployer plans (including PPA changes).

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Expanded Reporting for §403(b) Plans

- Will be required to file to the same extent a §401(k) plan reports
- Which plans are ERISA plans?
- “80/120” rule will apply
 - Many plans will meet rules to use Form 5500-SF

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Other Issues

- Alternatives for Form (Schedule) SSA submission – will now be filed directly with IRS
- Waiting for guidance to be issued!

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Small Plan Fee and Expense Reporting

- Schedule I filers not subject to Schedule C indirect compensation reporting rules.
- Must break out fees on Schedule I paid directly by plan to administrative service providers.
- Small plans filing Schedule A must still report information on insurance fees and commissions.
- Form 5500-SF has questions on direct compensation paid by plan and insurance fees and commissions.

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2009 Schedule C

- Explanations geared toward arrangements typically found in the industry
 - “Generally” applicable definitions and examples
 - No discussion of more sophisticated or exotic models

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Primary Concepts

- Types of Providers
 - Bundled
 - Unbundled
- Types of Reportable Fees, Commissions, and Compensation
 - Direct
 - Indirect

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Breaking it Down

[general definitions for Schedule C reporting purposes only]

- Types of providers
 - Bundled
 - entities are affiliated or subcontractors
 - alliances of unaffiliated entities
 - Unbundled
 - array of unrelated service providers

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Types of Providers

[general definitions for Schedule C reporting purposes only]

- Bundled
 - Plan hires one company to provide a range of services either directly from the investment provider, through its affiliates or subcontractors, or a combination
 - Independent recordkeeper "bundled" with trust company, investment platform, and other [un]related service providers; Insurance company "alliance"
- Unbundled - Direct arrangements with individual service providers

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Bundled Providers – a Visual Aid

```

    graph TD
      PLAN --- BP[Bundled Provider]
      BP --- IEXP[INDIRECT Expenses]
      BP --- DEXP[DIRECT Expenses]
  
```

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Is this a Bundle?

- o Provider A has an "alliance" with Provider B.
 - Provider B has developed a program to assist participants in fund selection.
 - Provider A pays Provider B a fee of \$20,000 to have access to their program, regardless of the number of clients that use it.
 - Client Z pays a direct fee to Provider A of \$1,000 which allows plan participants to access the service.
 - Provider A shares \$200 with Provider B because of Client Z.
- o ASPPA's answer: treat \$1,000 as direct expense paid to provider *that is part of a bundled arrangement.*

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Breaking it Down

[general definitions for Schedule C reporting purposes only]

- o Types of reportable fees, commission, and compensation
 - Direct
 - flows through plan's financial statements
 - Indirect
 - does not flow through plan's financial statements
 - paid from revenue generated by plan's investment arrangement

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Direct vs. Indirect

[general definitions for Schedule C reporting purposes only]

- o Direct –
 - payments out of a plan account,
 - charges to plan forfeiture accounts and fee recapture accounts
 - charges to a plan's trust account before allocations are made to participant accounts
 - direct charges to individual accounts (e.g. fees for loans, distributions, and short term redemption fees)

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Direct vs. Indirect

[general definitions for Schedule C reporting purposes only]

- o Indirect –
 - payments in connection with services rendered to the plan or the person's position with the plan
 - payment is based, in whole or in part, on a transaction or a series of transactions with the plan
 - fees and expense reimbursements from mutual funds, pooled separate accounts, collective trusts, etc.
 - Includes finder's fees, float revenue, brokerage commissions, 12b-1 fees, sub-TA fees, etc.
 - gifts, meals, entertainment, travel

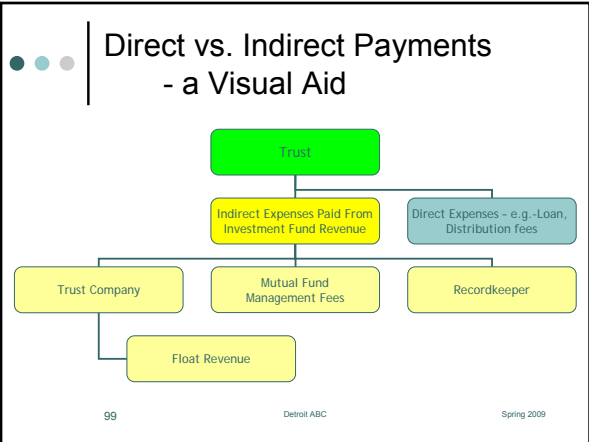
97 Detroit ABC Spring 2009

Direct vs. Indirect

[general definitions for Schedule C reporting purposes only]

- o Short term redemption fees
 - Are they reportable?
 - Are they direct or indirect expenses?
 - Are they eligible or not eligible?
- o ASPPA's answer: the short term redemption fees are not reportable on Schedule C.
 - We agree with the position expressed in Q1 of the September 12, 2008 letter to Robert Doyle from the American Benefits Council

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Schedule C Reporting

- o Direct payment amounts must be reported on line 2
- o Indirect payments
 - Reported on line 1 if “eligible” and the only type of payment to person/entity [*a/k/a - alternative reporting option*]
 - Reported on line 2 if not eligible
 - May need to further describe on line 3 if the person is a fiduciary, or provides contract administrator, consulting, custodial, investment advisory or management, broker, or recordkeeping services
- o Report on line 2 if combination of direct and indirect payments -whether or not indirect compensation is “eligible”

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Eligible Indirect Compensation

[general definitions for Schedule C reporting purposes only]

- o Limited to
 - fees or expense reimbursements charged to investment funds and reflected in the value of the investment (e.g. NAV) or return on investment,
 - finder’s fees, “soft dollar” revenue, float revenue, and/or
 - brokerage commissions, or other transaction-based fees

AND

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Eligible Indirect Compensation

[general definitions for Schedule C reporting purposes only]

- AND
- o To be “eligible” the plan administrator must have received written materials that disclose and describe
 - (a) the existence of the indirect compensation,
 - (b) the services provided or the reason for the payment,
 - (c) the amount or estimate (formula) for calculating the payment; and
 - (d) the identity of the party paying and the party receiving the compensation.

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Written Disclosure

[general definitions for Schedule C reporting purposes only]

- When finalized, the ERISA §408(b)(2) regulations may, in many cases, “solve” the written disclosure prong of the test for indirect compensation to be “eligible.”
- But that is not the only way the written disclosure test may be satisfied.
- Schedule C is not the means by which DOL will evaluate whether ERISA §408(b)(2) relief applies.

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Written Disclosure - Timing

- The instructions to Schedule C do not specify the date by which the materials necessary to satisfy the *written disclosures* requirement must be presented to the plan sponsor/administrator.
- ASPPA’s answer: subject to the guidance provided in the FAQs, the written disclosure test is satisfied if the material is delivered by the date the related Form 5500 is filed.

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“Eligible”

[general definitions for Schedule C reporting purposes only]

- To be “eligible” the indirect compensation must be paid to an *affiliate or subcontractor* of the entity making the payment
 - No specific DOL definition of “affiliate” or “subcontractor.”
 - DOL interprets terms very broadly.
 - Need to examine overall arrangement – what is sold as a “package” of services?

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“Eligible”

[general definitions for Schedule C reporting purposes only]

- What is the source of the revenue?
 - From expense ratio that is reflected in the NAV – that is eligible
 - From wrap fee – that is eligible per FAQ 21

AND

- What type of revenue?
 - Basis point – that is eligible
 - Per capita – that is not eligible

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Recordkeeping Fees

- Many arrangements apply some portion of the expense ratio (fund revenue) toward the payment of recordkeeping fees.
 - Where such payments do not cover the full amount of the recordkeeping fee, an additional direct payment is made by the plan to cover the total recordkeeping fee.
 - Can part of the recordkeeping fee be eligible indirect compensation and part direct compensation for purposes of Schedule C reporting?

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Recordkeeping Fees

- Must look to terms of contract?
 - Is it the terms of the contract or the source of the payment that drive the type of payment (direct vs. indirect) for purposes of Schedule C reporting?

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● ● ● | **Easy Example**
 – ABC Plan #001

- Single employer defined contribution plan
- Fidelity trustee and recordkeeper (two separate, but related entities)
- Only investments are Fidelity mutual funds
- Direct fees include loan fees, overnight mailing fees, other recordkeeping fees
- **Conclusion:** Plan is “bundled” if we assume all payments, including float, are properly disclosed

109 Detroit ABC Spring 2009

● ● ● | **Schedule C for**
 ABC Plan #001

- Can “Fidelity” be treated as a single entity or should
 - Fidelity Management Trust Company and
 - Fidelity Investments Institutional Operations Company Inc
 be reported separately?
- Trust gets only eligible indirect compensation
- Operations gets both eligible indirect compensation and direct fees

110 Detroit ABC Spring 2009

● ● ● | **Reporting EINs**
 on Lines 2 and 3

- It could be extremely burdensome to determine precise EINs in many instances.
- How specific must EIN be – is “parent” company EIN sufficient?
- Must EIN tie to that reported on Schedule A or D, if applicable?

111 Detroit ABC Spring 2009

● ● ● | **Next Example**
– ABC Plan #002

- Single employer defined contribution plan
- Fidelity trustee and recordkeeper (two separate, but related, entities)
- Investments are Fidelity and non-Fidelity mutual funds
- Direct fees include loan fees, overnight mailing fees, other recordkeeping fees

- **Conclusion:** Plan is “bundled” if we assume all payments, including float, are properly disclosed

112 Detroit ABC Spring 2009

● ● ● | **Schedule C for**
ABC Plan #002

- Can “Fidelity” be treated as a single entity or should each entity be reported separately?
- Trust gets only eligible indirect compensation
- Operations gets both eligible indirect compensation and direct fees
- **Non-Fidelity funds** are paid only eligible indirect compensation

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● ● ● | **Schedule C for**
ABC Plan #002

- ASPPA’s answer:
 - “Fidelity” (parent company) is reported on line 2 with both direct and eligible indirect compensation; no other reporting required.
 - **Non-Fidelity funds** are reported on line 1 with eligible indirect compensation; no other reporting required.
 - Note that line 1 reporting is of the person/entity that distributes the disclosures so may not be the fund company names/addresses.

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● ● ● | **Next Example**
- ABC Plan #003

- Single employer defined contribution plan
- Fidelity trustee and recordkeeper (two separate, but related, entities)
- Investments are Fidelity and non-Fidelity mutual funds
- Direct fees include loan fees, overnight mailing fees, other recordkeeping fees
- Employer and investment advisor (bank, broker, advisor) are provided airfare, hotel, dinner and other entertainment at Fidelity's expense during the year
- Conclusion: Plan is "bundled" if we assume all payments, including float, are properly disclosed

115 Detroit ABC Spring 2009

● ● ● | **Schedule C for**
ABC Plan #003


- Various employees of plan sponsor receive a combined total of \$6,000 in entertainment/travel
- Is reporting focused on amount received from a single source or from all sources? For example, a single individual has gifts/entertainment of \$1,000 each from six different sources in an unbundled arrangement.

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● ● ● | **Schedule C for**
ABC Plan #003


- Report only employee(s) who received ≥ \$5,000 individually?
- Or is it viewed at the plan sponsor level as a total?
- What if no individual employee exceeds \$5,000 threshold, is it reported? If so, how?

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**Schedule C for
ABC Plan #003**


- Investment professional (bank, broker, advisor) receives 12b-1 fees of \$6,000 and \$2,000 for entertainment
 - ASPPA's answer:
 - Report on line 2 for eligible indirect compensation (check box f) and for indirect compensation of \$2,000
 - Report on line 3 that Fidelity paid the indirect compensation of \$2,000

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**Gifts/Entertainment
- Example #1**

- A **fund company** sponsors the conference and invites relationship managers and insurance brokers from different retirement companies (ING, The Hartford). It is a 2-day educational conference that includes guest speakers, lunch, a gift bag (umbrella, mug, flashlight, notebook) and later a round of golf for some and a football game for others.

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**Gifts/Entertainment
- Example #1**

- Do all of the related expenses need to be reported?
 - If "yes," does it need to be allocated to specific plans?
- Does this belong on Schedule A or Schedule C?

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● ● ● | Gifts/Entertainment
- Example #2

- **ING sponsors** and invites existing brokers and potential brokers to a 2-day educational conference that includes guest speakers, lunch, a gift bag (umbrella, mug, flashlight, notebook) and later a round of golf for some and a football game for others.
- Do these expenses need to be captured?
 - If "yes," allocated at specific plan level?
 - What about brokers with no book of business?
- Does this belong on Schedule A or Schedule C?

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● ● ● | Bundled Example
- ABC Plan #004

- Single employer §401(k) plan
- UVW Recordkeeper is plan recordkeeper and has presented its fees along with certain fees of ABC Bank in its fee schedule or contract with sponsor
- ABC Bank is custodian, which bills and collects shareholder servicing fees from mutual funds and remits these to recordkeeper which, in turn, uses those funds to offset the plan's recordkeeping fees.

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● ● ● | Bundled Example [continued]
- ABC Plan #004

- Custodian charges a service fee for the shareholder servicing revenue collection process; also, float income.
- Custodian also charges an asset based fee and transaction based fees (trade costs, checkwriting fees, etc.)
- XYZ broker provides investment consulting services to the plan
 - Broker is paid 12b-1 fees.
- Investments are a variety of mutual fund options from various fund families.

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Schedule C for ABC Plan #004

- o ASPPA's answer:
 - Each mutual fund company reported on line 1 as receiving eligible indirect compensation
 - ABC Bank reported on line 2 for eligible indirect compensation but also for direct custody fees (not offset by mutual fund revenue), trade fees, check fees
 - UVW Recordkeeper reported on line 2 for eligible indirect compensation but also for fees not otherwise paid from mutual fund revenue
 - Auditor and legal fees reported on line 2 as direct payments

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Unbundled Example – ABC Plan #005

- o Single employer balance-forward profit sharing plan
- o UVW Recordkeeper is plan recordkeeper and has presented a fee schedule that covers only its recordkeeping fees
- o ABC Bank is custodian, which bills and collects shareholder servicing fees from mutual funds and remits these to recordkeeper which, in turn, uses those funds to offset the plan's recordkeeping fees.
 - Custodian does not charge a service fee for the shareholder servicing revenue collection process, but does generate float income.

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Unbundled Example [continued] – ABC Plan #005

- Custodian charges an asset based fee and transaction based fees (trade costs, checkwriting fees, etc.)
- o XYZ is an registered investment advisor provides investment management services to the plan as a fee based advisor (no commissions)
- o Investments include individual securities portfolios as well as mutual funds. The mutual funds pay shareholder servicing fees as well as 12b-1 fees.

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**Schedule C for
ABC Plan #005**

- o ASPPA's answer:
 - Reported on line 1 only:
 - Each mutual fund company as receiving eligible indirect compensation
 - Reported on line 2 only:
 - ABC Bank reported for eligible indirect compensation (float) but also for direct custody, trade and check fees
 - UVW Recordkeeper reported for direct expenses.
 - XYZ investment management fees
 - Brokerage commissions
 - Auditor and legal fees reported on line 2 as direct payments
 - No reporting on line 3

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**Bundled Example [INSURANCE]
– ABC Plan #006**


- o Single employer §401(k) plan
- o Plan uses a "bundle" of services that include
 - ING group annuity contract which offers participants an array of subaccount choices, including ING and non-ING mutual funds (within a pooled separate account) and guaranteed interest accounts.
 - A third-party firm to provide consulting, plan document, and compliance services not provided by ING.
 - Broker/producer involved in sale and provides financial consulting services.
 - Plan pays all fees associated with plan operation, either from fund revenue or as direct charge against plan accounts. Participants are charged loan and distribution fees.

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**Bundled Example [INSURANCE]
– ABC Plan #006 [CONTINUED]**


- o Payments/fees include:
 - Broker is paid commissions of \$3,500; also receives direct fee of \$2,000 for financial consulting services
 - Third party firm is paid asset-based fee equal to \$5,000 for compliance/other services; also receives non-cash compensation of \$280
 - Fund fees such as 12b-1, sub-TA, etc. paid to mutual funds (both ING and non-ING)
 - Recordkeeping, loan, distribution and statement fees of \$5,000 paid to ING
- Note: "net rate" issue on GIC not addressed here.

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Schedule A and C
– ABC Plan #006


- o Schedule A reporting includes:
 - \$3,500 paid to broker/producer;
 - \$280 of non-cash compensation paid to third-party firm
- o Schedule C reporting includes:
 - Line 1 –
 - Each non-ING fund company as receiving eligible indirect compensation

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Schedule A and C
– ABC Plan #006 [CONTINUED]

- o Schedule C reporting includes:
 - Line 2 –
 - Asset-based charge to third-party firm as eligible indirect compensation and indirect compensation [as reported on Schedule A]
 - \$2,000 fee paid to broker/producer for financial consulting as direct fee [reported here because individual has ≥ \$5,000 when added to Schedule A compensation]
 - ING is reported with direct fees of \$5,000 and eligible indirect compensation.
 - Line 3 reporting – none.

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ERISA [Fee Recapture]
Accounts

- o Using the scenarios described in Q2 of the September 12, 2008 letter to Robert Doyle from the American Benefits Council
 - ASPPA agrees that fund revenue transferred to ERISA account is not reportable on Schedule C; however, fees paid from the ERISA account are reportable as direct compensation.
 - Does this include recordkeeping fees “offset” by fund revenue transferred to the ERISA account?
 - Again, is it the source of the revenue or the terms of the contract that dictate how the compensation is reported on Schedule C?

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Schedule C for Master Trusts

- o May reporting of fees and expenses for plans with assets invested in a Master Trust be reported on the **Form 5500 filing for the master trust** rather than the Form 5500 filing for each plan involved?
- o ASPPA's answer: Yes!

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Get more information...

- o 2009 Schedule C and instructions
 - <http://www.dol.gov/ebsa/regs/fedreg/notices/20071116.pdf>
 - Form at page 64788
 - Instructions at page 64824
- o FAQs about the 2009 Schedule C
 - http://www.dol.gov/ebsa/faqs/faq_scheduleC.html

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Audits of Employee Benefit Plans





Plans Subject to Audit

- Large plans
 - 100 or more participants
 - 80/120 rule
- Small plans
 - Less than 95% of plan assets not “qualifying”
 - Insufficient bonding

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Employee Benefit Plans: Audit and Accounting Guide

Order at
<http://www.cpa2biz.com>
 Product #012597

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<http://ebpaqc.aicpa.org/Resources/Audit+Quality+and+Auditor+Selection/>

**Obtaining Quality Employee Benefit Plan Audit Services:
 The Request for Proposal and Auditor Evaluation Process**

- Audit Quality and Auditor Selection
- [Audit Quality](#)
- [DOL Enforcement of Plan Audit Requirement](#)
- [DOL Guidance on Selecting a Plan Auditor](#)
- [Employee Benefit Plan Audit Quality Center Membership](#)
- [Obtaining Quality Employee Benefit Plan Audit Services](#)
- [Quality Counts for Your Plan's Financial Statement Audit](#)

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Other Practice Aids

- AICPA produces all types of checklists and practice alerts
- "PPC" is used by many accounting firms to produce audit workpapers and financial statements
 - <http://ppc.thomson.com>
- <http://www.fasb.org> to locate SAS

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DOL Oversight

- Office of Chief Accountant runs inspection program
 - CPA firms (larger firms)
 - Augmented workpaper reviews (for firms performing < 100 audits)
 - Reported 30% deficiency rate

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Importance of SAS 70

(Type II)

- Demonstrates establishment of effectively designed control objectives and control activities.
 - May limit user auditors visits but there are concerns about over-reliance on SAS 70
- Plan sponsors should carefully review
 - Many control objectives/activities place reliance on employer

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● ● ● | Limited-Scope Certifications

- What *value* is being certified?
 - “Ordinary business records” may be best-available values, but may or may not reflect fair value.
- Who is responsible (and for what)?
 - Plan administrator
 - Trustee/custodian
 - Auditor

● ● ● | Limited-Scope Certifications
(continued)

- Limited scope audit certification may be suspect
 - May not be a “fair value” certification
 - May need to perform full scope audit procedures on assets that are not fair value
 - May warrant extra paragraph in 2007 opinion letters
 - Watch audit guide / practice alerts

● ● ● | Administrative Expenses

- Must be reasonable and necessary
- Depend on facts and circumstances
- Evaluate for qualitative as well as quantitative aspects
- Settlor vs. plan expenses
- Allocation issues



Accounting Developments

(Effective for 2006 and later audits)

- SAS 103 – *Audit Documentation*
 - Enhances documentation
 - Changes report date
 - Someone should be able to duplicate steps to valuation, etc.
- SAS 112 – *Communicating Internal Control Related Matters Identified in an Audit*
 - Requires evaluation of internal controls
 - Common example – auditor-prepared financial statements

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Auditing Developments

- Risk Assessment Standards
 - SAS 104-111
 - Involves more in-depth understanding of plan, its environment and internal control
 - Greater assessment of risk of misstatement due to error and fraud
 - What are the problems and how do you audit that problem?

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RESOURCES



● ● ● | Get more information...

- www.freeERISA.com
- www.EFAST.dol.gov
- <http://www.sec.gov/edgar/searchedgar/companysearch.html>
- www.form5500help.com
- Call DOL Public Disclosure Room at 202/693-8673

● ● ● | FAQs May Be Helpful

- EBSA has posted a number of FAQs on its website to explain rules
 - Small Plan Audit Waiver
 - Delinquent Filer Voluntary Compliance
 - Late deposit of 401(k) withholding
- www.dol.gov/ebsa/faqs

● ● ● | Thank You!

Questions welcome at www.form5500help.com



Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

OMB Nos. 1210-0110
1210-0089

2010

This Form is Open to Public Inspection

▶ **Complete all entries in accordance with the instructions to the Form 5500-SF.**

Part I Annual Report Identification Information

For calendar plan year 2010 or fiscal plan year beginning _____ and ending _____

- A** This return/report is for: single-employer plan multiple-employer plan (not multiemployer) one-participant plan
- B** This return/report is for: first return/report final return/report
- an amended return/report short plan year return/report (less than 12 months)
- C** Check box if filing under: Form 5558 automatic extension DFVC program
- special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan	1b Three-digit plan number (PN) ▶	
	1c Effective date of plan	
2a Plan sponsor's name and address (employer, if for single-employer plan)	2b Employer Identification Number (EIN)	
	2c Plan sponsor's telephone number	
	2d Business code (see instructions)	
3a Plan administrator's name and address (if same as Plan sponsor, enter "Same")	3b Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN, and the plan number from the last return/report. Sponsor's name	4b EIN	
	4c PN	
5a Total number of participants at the beginning of the plan year	5a	
	5b	
	5c	
6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)	<input type="checkbox"/> Yes <input type="checkbox"/> No	

If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.

Part III Financial Information

7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a		
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c		
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)		
(2) Participants	8a(2)		
(3) Others (including rollovers)	8a(3)		
b Other income (loss)	8b		
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f		
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		
i Net income (loss) (subtract line 8h from line 8c)	8i		
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

		Yes	No	Amount
10 During the plan year:				
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program)	10a			
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b			
c Was the plan covered by a fidelity bond?	10c			
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d			
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e			
f Has the plan failed to provide any benefit when due under the plan?	10f			
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g			
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h			
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

- 11** Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500))
- Yes No
- 12** Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? ..
- Yes No
- (If "Yes," complete 12a or 12b, 12c, 12d, and 12e below, as applicable.)
- a** If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____
- If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.**
- | | | |
|--|------------|--|
| b Enter the minimum required contribution for this plan year | 12b | |
| c Enter the amount contributed by the employer to the plan for this plan year | 12c | |
| d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) | 12d | |
- e** Will the minimum funding amount reported on line 12d be met by the funding deadline?
- Yes No N/A

Part VII Plan Terminations and Transfers of Assets

- 13a** Has a resolution to terminate the plan been adopted during the plan year or any prior year?
- Yes No
- If "Yes," enter the amount of any plan assets that reverted to the employer this year
- | | | |
|--|------------|--|
| | 13a | |
|--|------------|--|
- b** Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?
- Yes No
- c** 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE			
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor

**SCHEDULE C
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Service Provider Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2010

This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning _____ and ending _____

A Name of plan	B Three-digit plan number (PN) ▶	

C Plan sponsor's name as shown on line 2a of Form 5500	D Employer Identification Number (EIN)

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
 (complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation: