

Anchin Compensation and Benefits Services Group

July 23, 2015

Is Your Firm in Compliance with the Upcoming July 31st U.S. Department of Labor Filing Deadline?

To our Clients and Friends:

A frequently overlooked filing obligation is one that requires companies sponsoring retirement plans and large health plans to submit Form 5500 to the U.S. Department of Labor (DOL), annually. For calendar year plans the filing deadline is July 31, 2015. The DOL penalty for noncompliance is \$1,100 per day, and the IRS penalty is \$15,000 per annum. Is your firm in compliance?

What are the filing requirements?

- In most cases, calendar year firms sponsoring a retirement plan or a large health plan (one with over 100 participants) must file Form 5500 annually with the DOL, by July 31 of the following year.
- Large retirement plans (usually those with over 100 eligible participants), and sometimes small plans, must submit an independent auditors' report from an independent qualified public accountant with Form 5500.
- Electronic filing is mandatory in almost all cases. To be eligible to file electronically, the plan sponsor must register in advance with the DOL.

Can the filing deadline be extended?

- Sponsors of calendar year plans, who have already requested an extension of time until September 15, 2015 to file the sponsor's income tax return, need not request a separate extension of time to file, and have until September 15 to file Form 5500.
- Sponsors who file Form 5558 by July 31, 2015, can request an extension of time until October 15 to file Form 5500.

What are the most common errors on Form 5500? According to the IRS, preparers often incorrectly:

- Indicate that the number of plan participants is zero
- Enter codes that misidentify the type of plan and its characteristics
- Disclose that the plan has been terminated, or will terminate soon, or has distributed all of its assets
- Misstate the amount of the plan's fidelity bond
- Omit required disclosures

Action Plan

If a plan administrator has been engaged to prepare Form 5500 on your firm's behalf, you should carefully review all entries for completeness and accuracy as you would any other document requiring your signature.

If you are concerned that your firm may have filed incorrect or incomplete returns in the past, or has overlooked a filing requirement, Anchin can help. We have extensive experience helping clients rectify problems before they come to the attention of the IRS or DOL. Please contact your Anchin Relationship Partner, or Deborah de Vries, Co-Practice Leader of Anchin's Compensation and Benefits Services Group, at 212.840.3456.



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