

5500s - Big Changes for 2023



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Your Co-Hosts

• Joanne Pecina



• Maureen Pesek







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- Slides and recordings will be available on ERISApedia.com webcast tab.





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Your Presenters Today

S. Derrin Watson, J.D., APM



Timothy McCutcheon, J.D.







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Agenda

- Change in determining large plan status
- New Schedule DCG for Defined Contribution Group Reporting Arrangement (DCG or DCG Reporting Arrangement)
- New Schedule MEP for Multiple-Employer Pension Plans (MEP)
- 2023 Changes to Existing Forms and Schedules
- Electronic filing Form 5558

Derrin *





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
- 80/120 rule still applies based on large plan status prior year





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Schedule DCG - Introduction

- Section 202 of the SECURE Act 1.0 allows certain groups of defined contribution retirement plans to file a single consolidated annual return/report.
- Only applies to 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.





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Schedule DCG – Introduction

- The DCG generally follows filing requirements for large pension plans and DFEs
- The DCG filing a Form 5500 on a consolidated basis must attach a Schedule DCG for EACH individual plan within the
- Each Schedule DCG reports certain individual plan information specific to each plan within the DCG
- Essentially each Schedule DCG is a mini Form 5500-SF





Schedule DCG - 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
- But File Schedule DCG NOT Schedule D Part II, list of plans participating in the DFE.





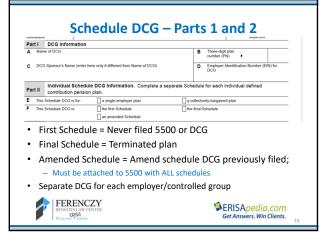
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DCG like GIA

- 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 plan's 5500/5500-SF



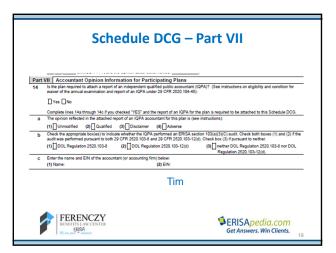




Part III Basic Individual Plan Information			
fa Name of plan	1b	Three-digit plan number (PN)	
	1c	Effective date of plan	
Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Bos),	2b	Employer Identification Number (EIN)	
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)	2c	Plan sponsor's telephone number	
	2d	Business code	
3 If the name ancior EIN of the plan sponsor or the plan name has changed since the last returningon filed for this plan, where the plan sponsor's name, EIN, the plan name and the plan number from the last reshrinkport.	36	EN	
Flan sporsor's name Plan Name	3d	PN	
4a Plan administrator's name and address	40	EN	
	40	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 c (2) Total number of active participants at the end of the plan year.	5c(1)		Audit based
did 1 Number of participants with account balances as of the beginning of the plan year	5c(2)		
d(2) Number of participants with account balances as of the end of the plan year.	5d(2)		on these line
Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vected.	5e		OH these line
were less than 100% vested For Paperwork Reduction Act Notice, see the Instructions for Form 5500.	_	Schedule DCG (2923)	

	Calcadada D	-					
	Schedule D	CG	– Pa	art	IV		
Part	IV Financial Information						
6	Plan Assets and Liabilities		(a) Beginnin	ng of Year	(b) End of Year		
, a	Total plan assets	- 6a	14124		(4)		
•	(1) Participant loans	- 6a(1)					
b	Total plan liabilities	- 6b					
c	Net Assets (subtract line 6b from line 6a)	- 6c					
7a	Contributions received or receivable in cash from				Amount		
74	(1) Employers			7a(1)	remon		
	(2) Participants						
	(2) Participants (3) Others (including rollovers)			7a(2)			
				7a(3)			
ь	Noncash contributions			7b			
c	Total Contributions (add lines 7a(1)-(3) and line 7(b)			7c			
d	Other income (loss)			7d			
ė	Total Income (add lines 7g and 7d)			7e			
1	Benefit payment and payments to provide benefits			71			
	Corrective distributions (see instructions)			7g			
h	Certain deemed distributions of participant loans (see instructions)			7h			
T.	Administrative service provider's expense (salaries, fees, commiss			71			
	Other expenses			71			
	Total expenses (add lines 7f, 7g, 7h, 7i, and 7i).			7k			
î	Net income (loss) (subtract line 7k from line 7e)			7k			
	Transfers of assets			//			
m	(1) To this plan			7m(1)			
	(2) From this plan						
	(a) From this position			7m(2)			
FED	ENCZY			4			
FER	ENCZI			€	RISApedi	acom	
BENEFI	IS LAW CENTER RISA ** original				INISAPEUI	u.com	

Par 8	t V Plan Characteristics Enter the applicable two-character feature codes from	the List of Plan Characteristics Cod	es in the i	rstructio	15.		
Par	t VI Compliance Questions			_	_		
9.0	Was there a failure to transmit to the plan any particip		1	Yes	No	Amount	
33	period described in 29 CFR 2510.3-102? Continue to	answer "Yes" for any prior year failu					
_	until fully corrected. (See instructions and DOL's Volu		93				
ь	Were there any nonexempt transactions with any part		9b				
_ c	Has the plan failed to provide any benefit when due u Was the plan covered by a fidelity bond?	nder the plan?	9c				
d	Was the plan covered by a fidelity bond? Did the plan have a loss, whether or not reimbursed by	- the also's fidelity band that was	9d	-	-		
e	caused by fraud or dishonesty?	y the plan's riverty outlo, tractinas	96				
10	If, during this plan year, any assets or liabilities were transferred. (See instructions)	ansferred from this plan to another pl	lan(s), iden	cify the p	ian(s) to	which assets or liabilities	
10a	Name of plan(s)	10b EIN(s)		IOC PN	15)		
			_				
11 12a	Is this a defined contribution plan subject to the minim Does the plan satisfy the coverage and nondiscrim					es 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 defemals and employer ma				s 401(k)(3) and 401(m)(2)?	
	Design-based safe harbor method Prior year						
13	If the plan sponsor is an adopter of a pre-approved plan in the Opinion Letter (MM/DD/YYYY) and the Opinion Letter (MM/DD/YYYYY) and the Opinion Letter (MM/DD/YYYYY) and the Opinion Letter (MM/DD/YYYYYYYYYYYYYYYYYYYYYYYYYYYYYYYYY	on that received a favorable IRS Opinion serial number	nion Letter	enter th	e date o	f the Opinion Letter	



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Schedule DCG - Line 14a 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 balance 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 ...





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Schedule DCG - Use 5500 Only

- DCGs Use Form 5500 Only (NOT Form 5500-SF)
 - All DCGs and individual plans within a DCG reporting arrangement must report using a consolidated Form 5500 that includes a Schedule DCG for each plan within the DCG.
 - For a given plan year, the DCG and individual plans reporting within such DCG may not use Form 5500-SF regardless of DCG size or the size of plans within the DCG reporting arrangement.





Schedule DCG – Attachments

- · Audit report
- Line 9a Delinquent Participant Contributions





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DCG 5500 Filing

- The filing is generally a 5500 filing with all the same filing requirements and Schedules.
- The information reported on all the Schedules, except Schedule DCG, are generally reported for all the plans in the DCG in the aggregate, except as otherwise provided.
- The filing must also generally include all the attachments required for the Schedules.





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DCG 5500 Required Schedules

- Schedule A to report insurance, annuity, and investment contracts held by the plans participating in a DCG.
- Schedule C to report service provider information and any terminated accountants.
- Schedule D, Part I only, to list all CCTs, PSAs, and 103-12 IEs in which DCG participating plans invested at any time during the DCG year.





DCG 5500 Required Schedules - Cont

- Schedule DCG to report individual plan-level information such as the plan sponsor (i.e., employer), plan financial information, number of participants, and other information.
- Schedule G to report loans or fixed income obligations in default or determined to be uncollectible as of the end of the DCG year, leases in default or classified as uncollectible, and nonexempt transactions.





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DCG 5500 Required Schedules - Cont

• Schedule H, except lines 4e, 4f, 4k, 4l and 5, to report the DCG's financial information.





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Schedule DCG Takeaways

- Must still make a 5500-SF type filing for each plan
- But for large participating plans, the schedules are done on a consolidated basis.





Schedule MEP

- Schedule MEP is added to use with both Form 5500 and Form 5500-SF. However; all pooled employer plans (PEPs), regardless of size, must file Form 5500 and include Schedule MEP in that filing.
- Schedule MEP essentially takes the place of the Multiple Employer Plan Participating Employer Information attachment
- · Other filing requirements remain unchanged

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Schedule MEP Part I

- Part I corresponds to the new feature codes introduced in the 2022 forms
 - 2U Association Plan
 - 2V PEO
 - 2W PEP
 - 2X Other





Schedule MEP Part I

- The 5500 regulations and instructions do not define a MEP.
- The instructions provide little guidance on what is an "Other" MEP - just provide two examples:
 - DB MEP
 - Collectively-bargained MEP not treated as a multiemployer plan
- What about traditional MEPs?
 - Commonality and control
 - GE Plan
- Is an Open MEP an "Other" MEP?





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Schedule MEP Part II Part II Participating Employer Information. 2 All multiple-employer pension plans that an explact to section 20(a) of ERISA (see instructions for filing the Form 5500) must compiles Part II, in addition to Part II, a procedure with the instructions in open of the information of each employer gardicipathy in the multiple-employer pension plans. On the instruction of the instruction of each participating employer that is not an instruction plans. On the instruction of each participating employer that is not an instruction plans are entirely as a needed to list the required information for each participating employer that is not an instruction shall be a new participating employer that is not an instruction of the instructions. 2 a Name of Participating Employer 2 b EIN | 2 c Percentage of Total Contributions for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances Attributable for the Plan Year | 2d Aggregate Account Bislances | 2d Aggregate Account Bislances | 2d Aggregate Account Bislance

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Other 2023 5500 Changes

- Line A: DFE Plan New Entity Code "D" for DCG
 - File Schedule DCG NOT Schedule D Part II, plans participating in the DFE
- Line 10 Schedules: New Schedules DCG and MEP Tim *





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IRS Compliance Questions SF Part VIII - Sch R Lines 21 and 22 14a Does the gains satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(b)(4) by combining this plan with any other plans un that the section 40 (b) gain, exceed the 10 (b) and 401(b)(4) by combining this plan with any other plans un that the section 40 (b) gain, exceed no 40 (b) gain, clead all bores that gaply to incided how the plan is intended to satisfy the nondiscrimination requirements for employee deferrable and employer motiviting contributions (as applicable) under Code sections 401(b)(2) and 401(m)(2). | Prior year ADP lest | Vision 10 (b) | Vi FERENCZY ERISApedia.com Get Answers. Win Clients.

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Opinion Serial Number

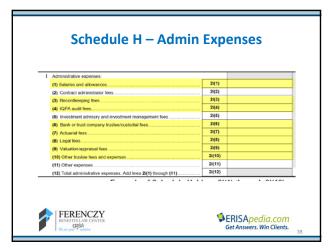
- Per the 5500 specifications, the opinion serial number is a capital letter followed by six numbers and a lower case "a".
- Each pre-approved plan of each pre-approved sponsor (generally a TPA, Bank, etc.) has a unique opinion serial number.
- IRS has informally indicated that the opinion serial number will be available as a part of the 5500 data sets.







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Schedule H - New "Other" Attachments

- Plans in a DCG Holding Line 4g Assets (current value not readily determinable)
- Plans in a DCG Holding Line 4h Noncash Contributions
- Plans in a DCG that had Blackout Period (Line 4m)
- Plans in a DCG that Failed to Provide Required Blackout Notice (Line 4n)





Schedule R

- DB plans more than 1,000 participants
 - Line 19 more asset types





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Form 5558 Electronic Filing

- Beginning January 1, 2024, Form 5558 may be filed electronically through EFAST2 or by paper form with the IRS.
- A copy of the completed extension request must still however be retained with the filer's records

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EFAST2 Electronic Processing

- Processed 5558 is not publicly disclosable, will not be viewable online
- Status not available from EFAST2 via phone
- Submission will appear on EFAST2 portal Submissions page for the 'filing author' (IFILE) or 'transmitter' (third-party software)
- Filers will continue to receive paper notification from IRS with extension approval or denial





A Few Reminders

- ASPPA/NIPA and ERPA certificates will be emailed within a day or two.
- Go to ERISApedia.com WEBCAST tab to retrieve previous certificates.
- After the webcast you will be presented with a short Google Forms survey. Please let us know how we are doing.





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For Further Study

Joanne Pecina will demonstrate how to find more information on today's topic from the ERISApedia.com resources.



