

IRS Reporting

The Form 5500 is an annual report, filed with the U.S. Department of Labor (DOL), that contains information about a 401(k) plan's financial conditions, investments, and operations. The purpose of the Form 5500 is to provide the Internal Revenue Service (IRS) and DOL with information about the plan's operation and compliance with government regulations. In general, all retirement plans, such as profit-sharing and 401(k) plans, must file a Form 5500 for every year the plan holds assets.

ABOUT THE FORM

The type of Form 5500 required for your plan depends on a number of variables. The Benefit Advantage will prepare the required Form 5500 for your plan and deliver it to you in a signature ready format. Plans that have more than 100 participants may be required to have their Form 5500 audited by an independent CPA. If this is required The Benefit Advantage will provide a draft copy of the Form 5500 for your auditor and we will work with you and your auditor to complete the audit.

The Form 5500 is due 7 months after the end of your plan year and can be extended an additional 2.5 months if need. The Benefit Advantage will automatically extend your Form 5500 after 7 months if the Form 5500 has not been filed.

SUMMARY ANNUAL REPORT

A summary annual report (SAR) is a document required under the Employee Retirement Income Security Act (ERISA) that summarizes the information reported on the Form 5500 and schedules. The SAR must be distributed to each participant and their beneficiaries receiving benefits under the plan no later than two months following the Form 5500 filing deadline which is Sept. 15 for a calendar year plan year or if the Form 5500 is on extension, you have until Dec. 15.

The SAR provides participants with a summary of the plan's financial status as reported on the Form 5500. Participants are also informed of their right to receive a copy of the Form 5500 if requested from the employer.