



2009 Form 5500 Revisions and New EFAST2 System

Beginning after January 1, 2010, the DOL will require all 2009 plan year filings (and amended returns for 2007 plan year returns and earlier) to be filed electronically in the EFAST2 system. The EFAST2 system is a new web-based system designed to process the 1.1 million Form 5500s. The 2008 Form 5500s will continue to be accepted in paper format after January 1, 2010, but only for a limited time. The new filing system will receive only electronic filing submissions (including the independent accountant's report in pdf format) and will quickly indicate if there are errors in a filing. EFAST2 also will publicly disclose the filed Form 5500 reports through the EFAST web site.

ERISA Fidelity Bonding Requirements

ERISA section 412 and related regulations (29 C.F.R. § 2550.412-1 and 29 C.F.R. Part 2580) generally require that every fiduciary of an employee benefit plan and every person who handles funds or other property of such a plan shall be bonded. ERISA's bonding requirements are intended to protect employee benefit plans from risk of loss due to fraud or dishonesty on the part of persons who "handle" plan funds or other property. ERISA refers to persons who handle funds or other property of an employee benefit plan as "plan officials." A plan official must be bonded for at least 10% of the amount of funds he or she handles, subject to a minimum bond amount of \$1,000 per plan with respect to which the plan official has handling functions. In most instances, the maximum bond amount that can be required under ERISA with respect to any one plan official is \$500,000 per plan. Effective for plan years beginning on or after January 1, 2007 and Pursuant to section 622 of the Pension Protection Act, the maximum required bond amount is \$1,000,000 for plan officials of plans that hold employer securities.

Form 5500 - DOL Changes that Apply to 2009 Schedule C

What the plan sponsor will need to do:

The plan administrator must identify types of services provided and types of fees received by the service provider.

The plan administrator must report:

- All persons receiving \$5,000 or more of total compensation
- A code describing the services
- Any relationship of the person identified as receiving compensation to the plan sponsor, to the participating employer or employee organization or to any person known to be a party-in interest
- The total direct compensation paid to that person
- "indirect compensation" - report name, EIN for each provider who is a fiduciary or provides services that received \$1,000 or more of indirect compensation
- If the provider provides a formula rather than an amount or estimated amount the formula must be reported
- Report service providers who fail or refuse to provide information to complete Schedule C

The plan sponsor must make sure the service provider:

- Discloses information regarding all services to be performed and all compensation that will be received either directly from the plan or indirectly from parties other than the plan or plan sponsor
- Discloses information about relationships or interests that may raise conflicts of interest for the service provider in performing plan services