



Retirement Plan Update

EFAST2 - The Electronic Age Descends Upon Retirement Plan Filings

Big changes are coming in 2010 and Plan Sponsors need to be ready.

As of January 1, 2010, the Department of Labor (DOL) is going “paper-less” for Form 5500 filings and all associated Schedules and attachments. Beginning with the 2009 Plan Year, all Pension and Welfare plans will be **required** to file Form 5500 (the annual plan reporting) electronically.

EFAST2 - the DOL’s all-electronic system - is now “open for business.” Certain Form 5500 content is also changing. Most significant is the expanded disclosure of service provider compensation on Schedule C, required to be submitted only by “large plan” filers.

In this Retirement Plan Update you will learn how Means & Associates, LLC and ERISA Compliance Associates, LLC are assisting our clients with the Form 5500 filing changes and what you need to know now to prepare for the 2009 Plan Year filing.

❖ *Who is Affected by EFAST2 Changes?*

All Plan Sponsors, that are required to file 2009 Form 5500 and Schedules, need to have the filing prepared and submitted electronically and to have the necessary information collected to complete Schedule C. (Note that plans covering only sole owner(s) and spouse(s) may continue to file a paper Form 5500-EZ, if desired. We recommend using this exemption from electronic filing for now.)

If we are preparing your Form 5500 filings, we will be walking you through all of the electronic filing steps – including registering for filing credentials at the DOL website.

❖ *As a Plan Sponsor, What do I need to do?*

You do not need to take any action now if we prepare your Form 5500 filings each year. If other service providers prepare your 5500 forms, you will want to contact them directly.

Please watch for future details on our upcoming *EFAST2 Webinar*. We will follow up with individual client conference calls to assist you in getting set up as a new EFAST2 electronic filer and to provide other EFAST2 implementation details.

❖ *More on EFAST2*

In the typical Form 5500 annual filing scenario, Means & Associates or ERISA Compliance Associates (or your ERISA filing provider) prepares Form 5500 (and Schedules) and presents the completed filing to the Plan Sponsor for signature and submission to the DOL/EBSA. The scenario is similar with EFAST2 with the difference being that the Plan Sponsor will now use the software interface we provide to sign and submit the filing electronically. This system interface will facilitate the entire preparation, review, and filing process.

For the first filing year under EFAST2, signers must register (with our assistance) for filing credentials at the DOL website. This means that plan sponsors will need internet access and an email address.

We have contracted for a special software interface that helps our clients through this process. Here is how our new interface assists our clients:

- Electronic Form 5500 review and comment capabilities, for both our clients and (for “large plan” filers) their independent CPA auditors.
- Instant tracking and confirmation from the DOL that the filing was received.
- No more certified mail filings – one less trip to the Post Office!
- An easy-to-save electronic version of the Form 5500 filing.
- File from any location, not just the office.

Here are the key features of EFAST2:

- All plans must file Form 5500 electronically (Exception: plans having a sole owner (and his/her spouse) or a partnership (including spouse) with no employees may still may file paper Form 5500-EZ.)
- Plan Sponsors need to retain a signed paper or electronic copy of Form 5500.
- Each EFAST2 “signer” must obtain electronic credentials, consisting of a User ID and PIN. The credentials, obtained from the DOL EFAST website, are uniquely associated to the signer’s email address. *This means that each individual that signs the Form 5500 must have an email address.*
- Attachments to the Form 5500 forms will be scanned and submitted as PDFs. This includes the auditor’s report (required for “large” plans), Schedule SB and MB (requiring actuary’s signature), etc.
- Filings allow for immediate feedback from the DOL.
- Form 5500 and all schedules and attachments will be posted on the public DOL website within 90 days of the filing. Note that Schedule SSA, containing confidential information like Social Security numbers, will not be posted on the DOL website.

As always, we look forward to working with you, our clients, to smooth this transition to electronic filings, to answer your questions, and to work through any problems or issues you might find with this new electronic filing mandate.

Should you have any questions regarding this Retirement Plan Update, contact our consulting team at 619-696-7284.