

MARCH 2010 DID YOU *KNOW*?

FORM 5500 NEEDS TO BE FILED ELECTRONICALLY

The Pension Protection Act of 2006 (PPA) enacted a provision that requires plan sponsors of employee benefit plans to file their Form 5500 returns electronically. Beginning January 1, 2010 all employers filing their Form 5500 with the Department of Labor's Employee Benefits Security Administration (EBSA) must file electronically using the new Electronic ERISA Filing Acceptance System II (EFAST2). This is a mandatory requirement for all plan years beginning on or after January 1, 2009.

EFAST2 has three components:

Internet Registration system (IREG) – where to apply for credentials to sign Form 5500 on behalf of the plan sponsor, the plan administrator or both;

Internet Filing system (IFILE) - provides the ability to go online to create, edit and submit filings for a plan year;

Internet Filing Acceptance System (IFAS) - the function that processes the filings as they are electronically submitted. IFAS establishes the filing status of the transmitted filing. The possible filing status messages are: filing unprocessable, processing stopped, filing error or filing received.

If you haven't done so already, it is recommended each plan sponsor obtain signer credentials using the IREG system to prepare for Form 5500 filing through EFAST2. The person responsible for signing the Form 5500 on behalf of a plan sponsor or plan administrator must apply for the signer credentials. There are a few rules to keep in mind.

There are five types of credentials an individual may apply for under EFAST2: filing author, filing signer, schedule

author, transmitter or third party software vendor. You can check as many as apply to you. You may associate more than one user type under your registration if you will be performing multiple functions.

An individual who signs Form 5500 will require only the filing signer credentials if they rely on a service provider to prepare and transmit the filing.

Only one set of credentials will be issued for each email address. Signer credentials permit the user to sign as the plan sponsor, the plan administrator or both.

The credentials belong to you as an individual, not the business for which you work. Think of the credentials in the same way you think of your social security number—it always belongs to you, no matter where you work. For this reason, you will want to update your profile whenever your email address changes so that any notification from DOL is delivered to you in a timely fashion.

To register for your credentials, log onto IREG at www.efast.dol.gov. The process includes six steps including a read and accept privacy statement. Once completed, you will receive an email link to retrieve your assigned electronic credentials, comprised of a User ID and PIN. **Print and save this information for future reference.** You will be required to return to EFAST2 and acknowledge receipt of your credentials and establish a password.

EFAST2 is a new system and as we become more familiar with the changes in the filing processes we will continue to update you. In the meantime, for a more comprehensive overview of the new

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electronic filing process and Frequently
Asked Questions please visit the DOL
website at www.efast.dol.gov.

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Client Service Manager Team
C.M. Smith Agency, Inc.
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