

IRS RESPONSE TO COMMENTS ON THE 2016 IRS CHANGES ON FORM 5500s

Updated September 30, 2016

List of Commenter's:

	Company Name	Dated	Signed By		Company Name	Dated	Signed By
1	Markley Actuarial Services, Inc.	7/16/16	John R. Markley	26	Retirement Strategies Incorporated	7/29/16	JJ McKinney
2	The Haslauer Group Inc.	7/16/16	Beverly B. Haslauer	27	Indiana Benefits, Inc.	7/29/16	Peter Gould
3	The MandMarblestone Group llc	7/27/16	Kenneth Marblestone	28	Synergistic Planning	7/29/16	Shelley Toombs
4	Noble Davis Consulting, Inc.	7/27/16	Erin Conder	29	Retirement Strategies Incorporated	7/29/16	Fain Dye
5	Noble Davis Consulting, Inc.	7/27/16	Jan Davis	30	Retirement Strategies Incorporated	7/29/16	Melissa Goldman
6	Noble Davis Consulting, Inc.	7/27/16	Jennifer Mattox	31	Retirement Solutions	7/29/16	Thomas E. Holstein
7	Gateway Pension Services, Ltd.	7/27/16	John Conaty	32	Retirement Strategies Incorporated	8/1/16	Diane Quilter
8	Noble Davis Consulting, Inc.	7/27/16	Angela Malinowski	33	ARS Retirement Corporation	8/1/16	Lori Roszczynialski
9	Liden, Nestle, Soled & Associates, Inc.	7/27/16	Holly L Scott	34	Pension Resources Inc.	8/1/16	Maureen A. Lindsay
10	National Retirement Services, Inc.	7/28/16	John M. Sciarra	35	The KGK Group, Ltd.	7/31/16	Marianne T. Kral
11	Barnard & Associates	7/28/16	Monica Barnard	36	Teal, Becker & Chiaramonte	8/1/16	Karen M. Foster
12	Beasley & Company	7/28/16	John P. Beasley	37	NOVA 401(k) Associates	8/1/16	Karen Smith
13	Benefit Strategies, Inc.	7/28/16	Dena Tady Honig	38	Qualified Concepts	7/31/16	Jacqueline Bochenski
14	Atlantic Pension Services	7/28/16	Barbara B. Leadem	39	Hunter Benefits Consulting Group	8/1/16	Christopher Tipper
15	Keller CPAs	7/28/16	Brian Kearsley	40	Northeast Professional Planning Group, Inc.	8/1/16	Sheila Dott
16	Reed-Ramsey, Inc.	7/28/16	Robert D. Reed	41	Troutman Sanders LLP	8/1/16	Susan P. Logan
17	Matthews Benefit Group, Inc.	7/28/16	Eric P. Brust	42	Retirement Strategies Incorporated	8/1/16	Tracy Blevins
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24	Retirement Strategies Incorporated	7/29/16	Barb Bailey	49	Goldberg/Swedelson	8/1/16	Allan E. Swedelson
25	Retirement Strategies Incorporated	7/29/16	Lindsey Schleenbaker	50	American Retirement Association	8/1/16	Brian Graff, Judy Miller, Craig P. Hoffman, Elizabeth T. Dold, Robert Kaplan, John Markley

Comments and responses:

	Comment From	Received	Comment / Concern	IRS Response
1	American Retirement Association (ARA)	5/31/2016	<p>1. The effective date for mandatory collection of information solicited by the new compliance questions should be delayed to coincide with the proposed Form 5500 revisions expected from the Department of Labor which are currently being reviewed by OMB before being published and public comment solicited.</p> <p>2. The request for the EIN of the plan's trust at 1(b)[1] should remain an optional question at least for the next 2 plan years so as to provide time for plan sponsors to determine whether a trust EIN has been deactivated by the IRS or apply for an EIN.</p> <p>3. In the request for comments, the IRS estimated that responding to the new questions should take a respondent approximately 23 minutes. Without adequate time to put system structure and processes in place to gather and maintain this information, ARA disagrees with this estimate. In its supporting documentation to OMB in 2015, IRS had estimated the time it would take a respondent to complete the paper Form 5500-SUP at 14.28 hours. While there has been substantial revision to the questions, they are not significant enough to justify the differences in estimate.</p> <p>4. ARA would prefer to enter the firm's name instead of the individual's name in response to the 5500 preparer question.</p>	<p>1. These compliance questions are critical for IRS enforcement of the tax law relating to employee benefit plans. Lack of information negatively affects the IRS's ability to effectively focus on specific factors of noncompliance when selecting retirement plans for examination, which may result in the IRS selecting relatively more compliant plans, thereby increasing the burden on these plans, and may result in participants in noncompliant plans receiving incorrect benefits. Historically, the Treasury Inspector General for Tax Administration recommended reinstating tax questions on Form 5500 for compliance purposes.</p> <p>The <i>Federal Register</i> published the 2015 proposed Form 5500-SUP in December 2014 and May 2015. In 2016, the IRS worked to significantly simplify the version of the compliance questions provided on the 2015 proposed form. The 2016 version of the IRS proposed questions was published in March 2016. Annually, Form 5500 series changes are released in December of the year before the year in which the Form is effective. The vast majority of filings are not due until at least the following July 31. Historically, this standard timeframe has been sufficient for preparers. Thus, plan administrators should be able to timely collect the data and file returns. In any case, plan sponsors and plan administrators must retain the relevant data for tax qualification purposes, such as section 401(k) nondiscrimination, section 410(b) coverage, plan qualification, etc. Thus, the data should be readily accessible.</p>

				<p>DOL, PBGC, and IRS issued proposed revisions to the annual information returns/reports in the Federal Register on July 21, which include significant architectural and data element changes, and re-compete of the contract for the EFAST system that processes the 5500 Series.</p> <p>As specified in the proposed rules, the majority of proposed forms revisions are currently targeted for implementation in plan year 2019; some forms revisions may be implemented in earlier or later form years including but not limited to the IRS and PBGC changes for 2016 as shown in the proposed data elements in Appendix A of the proposed rules.</p> <p>The IRS compliance questions added to the 2016 Form 5500 are integrated as part of the 3-agency proposed rules. As specified under the proposed rules, these IRS questions were planned to be implemented by the IRS in the 2016 Plan Year. These questions are critical to the IRS enforcement of tax laws. As suggested by TIGTA, the IRS has worked to bring these compliance questions back to Form 5500 since 2014. These IRS-only questions can help the Service to identify abusive transactions; identify plan qualification and funding issues; identify nondiscrimination and minimum coverage requirements issues; conduct special projects to identify potentially noncompliant retirement plans; populate risk models, and therefore, to help the Service achieving its tax administration responsibility, enforcing the applicable tax law and protecting participants' retirement benefits. These IRS-only questions will also help plan sponsors and plan administrators with internal control and ensure the plans are in compliance with the applicable tax laws. While IRS had planned to add these questions to the Form 5500 as soon as possible, IRS has decided to direct filers to skip these questions for 2016.</p>
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				<p>2. The IRS agrees that the trust EIN remains optional. The form instructions don't mandate use of the trust EIN. The instructions request the "Trust's EIN" if one has been issued. However, if there is no trust EIN, there is an option to enter the EIN that would be used on Form 1099-R (reporting distributions from employee benefit plans) or Form 945 (reporting withheld amounts of income tax from those payments).</p> <p>3. The 23 minutes is for filing time only. The original calculation considered the total preparation time based on IRS' historic method originally developed by Arthur D. Little. The requested data should be available since plans must know if they meet the requirements for plan qualification, and the information is generated annually. The plan sponsor, its attorney, accountant and benefit consultant generally work on a collaborative basis to gather the information to file the annual Form 5500. The information for these new items need only be added to the annual information request issued by the Form 5500 preparer and should put little additional burden on the taxpayer and its advisors and preparer.</p> <p>4. The IRS agrees to afford the option of entering either the name of the individual 5500 preparer or the name of the preparer's firm. Although it's not feasible to revise the draft 2016 Form 5500, IRS will update the instructions accordingly.</p>
2	AARP	5/31/2016	<p>1. AARP supports the IRS proposed changes to the Form 5500, but believes that additional amendments to the form could further improve its usefulness to participants and the agencies.</p> <p>2. AARP recommends adding some</p>	<p>1. The IRS appreciates the support for the IRS changes. The recommendations do not relate to the IRS Form 5500-SUP but relate to parts of Form 5500 under DOL jurisdiction, such as reporting on investments, fees, service providers, insurance, etc. The IRS will work with DOL ensuring implementation of recommendations.</p>

			<p>questions on reporting of risk shifting transactions, successor plans, plan investments, fees, service provider information, small plans, plan administration and design, and audits and financial reporting.</p> <p>3. The plan administrator should certify that the information reported on the Form 5500 is accurate and correct.</p>	<p>2. The three-agency (IRS, DOL, PBGC) proposed rules on “Proposed Revision of Annual Information Return/Reports” were published on Federal Register on July 21, 2016. Most of the AARP recommendations are included in these proposed rules. These proposed changes fall under Title I of ERISA and would likely require DOL rulemaking.</p> <p>3. Plan administrators currently sign the Forms 5500 and 5500-SF under penalty of perjury to ensure accuracy of data. Under the computerized ERISA Filing Acceptance System (EFAST2), filers may be rejected and required to resubmit if certain requirements and edit tests are failed.</p>
3	Wrangle LLC	4/25/2016	<p>Wrangle LLC recommends leaving the preparer information as an optional field at the bottom of page 1 of the Form 5500</p>	<p>IRC section 6058(a) mandates the annual return of an employee benefit plan (i.e. Form 5500) reflecting information prescribed by the IRS relating to the operation of the plan (among other things). The preparation of the Form 5500 relates to the operation of the plan, and thus, the prescribed information is required.</p> <p>Preparer information is critical for IRS enforcement of tax law. Fewer than 9% (75,665 in 2013) of filers provided either a preparer name and/or preparer telephone number when it was an optional question in 2013. IRS needs to mandate this question and receive at least basic preparer information to query on preparers who may be non-compliant with different aspects of pension law or engaging in tax-avoidance transactions.</p> <p>The preparer information was an optional question before 2009 and was eliminated from Form 5500 with the standup of EFAST2 in 2009. The IRS added it back to the 2012 Form 5500 series as an optional question as it was before. Because this is a significant</p>

				<p>noncompliance area with some promoters engaging in tax avoidance transactions, we need to shift this question to a mandatory question to collect at least basic information of preparers to query on preparers who may be non-compliant with different aspects of pension law or engaging in tax avoidance transactions.</p>
4	Keller Rohrback LLP	5/31/2016	<ol style="list-style-type: none"> 1. Keller Rohrback LLP supports the IRS proposed changes to the Form 5500, but believes that additional amendments to the form could further improve its usefulness to participants and the agencies. 2. Keller Rohrback LLP recommends adding some questions on reporting of plan investments, service providers, plan fiduciaries, and insurance. Keller Rohrback LLP also recommends adding a question to identify whether the reporting plan previously filed under a different EIN. 	<ol style="list-style-type: none"> 1. The IRS appreciates the support for the IRS changes. The recommendations do not relate to the IRS Form 5500-SUP but relate to parts of Form 5500 under DOL jurisdiction, such as reporting on investments, fees, service providers, insurance, etc. The IRS will work with DOL ensuring implementation of recommendations. 2. The three-agency (IRS, DOL, PBGC) proposed rules on “Proposed Revision of Annual Information Return/Reports” were published on Federal Register on July 21, 2016. Most recommendations are included in these proposed rules. These proposed changes fall under Title I of ERISA and would likely require DOL rulemaking.
5	American Benefit Council (ABC)	5/31/2016	<ol style="list-style-type: none"> 1. ABC urges the Service to consider delaying the changes until EFAST3 roll-out in the 2019 plan year to allow service providers to coordinate their programming. Alternatively delay implementation for two reporting years (i.e. 2018 plan year). 2. ABC urges the Service to (a) continue to keep the preparer information optional, (b) avoid calling into question existing guidance that preparing Form 5500 generally does not cause the preparer to be a “tax return preparer” under section 7701, (c) avoid inadvertently subjecting preparers to the risk of additional liability to plan parties, and/or to (d) adopt this requirement through the regulatory process rather than merely changing the form. 	<ol style="list-style-type: none"> 1. These compliance questions are critical for IRS enforcement of the tax law relating to employee benefit plans. Lack of information adversely affects the IRS’s ability to effectively focus on specific factors of noncompliance when selecting retirement plans for examination, which may result in the IRS selecting relatively more compliant plans, thereby increasing the burden on these plans, and may result in participants in noncompliant plans receiving incorrect benefits. Historically, the Treasury Inspector General for Tax Administration recommended reinstating tax questions on Form 5500 for compliance purposes. <p>The Federal Register published the 2015 proposed Form 5500-SUP in December 2014 and May 2015. In 2016, the IRS worked to significantly simplify the version of the compliance questions provided on the 2015 proposed form. The 2016 version of the IRS</p>

			<p>3. ABC requests clarification as to whether question 5 applies to a Defined Contribution plan with a frozen money purchase pension plan account, whether the question can be left blank without an invalidation error in the EFAST2 system, and whether the question was intended to ask about an employee who has not attained age 62.</p> <p>4. ABC urges the Service to make these questions optional for two years in order to give plan sponsor/administrators lead time for substantial programming.</p> <p>5. ABC asks why the Form 5500 requires the date of the most recent determination letter since the Service is terminating the determination letter program, whether the date of letter and series number is as of the beginning date or ending date of the plan year, and if a plan has utilized more than one preapproved plan in the same year, what date should be entered.</p> <p>6 Material change to 2015 instructions for Schedule H, Line 4l</p>	<p>proposed questions was published in March 2016. Annually, Form 5500 series changes are released in December of the year before the year in which the Form is effective. The vast majority of filings are not due until at least the following July 31. Historically, this standard timeframe has been sufficient for preparers. Thus, plan administrators should be able to timely collect the data and file returns. In any case, plan sponsors and plan administrators must retain the relevant data for tax qualification purposes, such as section 401(k) nondiscrimination, section 410(b) coverage, plan qualification, etc. Thus, the data should be readily accessible.</p> <p>DOL, PBGC, and IRS issued proposed revisions to the annual information returns/reports in the Federal Register on July 21, which include significant architectural and data element changes, and recompete of the contract for the EFAST system that processes the 5500 Series.</p> <p>As specified in the proposed rules, the majority of proposed forms revisions are currently targeted for implementation in plan year 2019; some forms revisions may be implemented in earlier or later form years including but not limited to the IRS and PBGC changes for 2016 as shown in the proposed data elements in Appendix A of the proposed rules.</p> <p>The IRS compliance questions added to the 2016 Form 5500 are integrated as part of the 3-agency proposed rules. As specified under the proposed rules, these IRS questions were planned to be implemented by the IRS in the 2016 Plan Year. These questions are critical to the IRS enforcement of tax laws. As suggested by TIGTA, the IRS has worked to bring these compliance questions back to Form 5500 since 2014. These IRS-only questions can help the Service to identify abusive transactions; identify plan qualification and funding</p>
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				<p>issues; identify nondiscrimination and minimum coverage requirements issues; conduct special projects to identify potentially noncompliant retirement plans; populate risk models, and therefore, to help the Service achieving its tax administration responsibility, enforcing the applicable tax law and protecting participants' retirement benefits. These IRS-only questions will also help plan sponsors and plan administrators with internal control and ensure the plans are in compliance with the applicable tax laws. While IRS had planned to add these questions to the Form 5500 as soon as possible, IRS has decided to direct filers to skip these questions for 2016.</p> <p>2. (a) Requiring preparer information is necessary for IRS enforcement purposes. (b) Except in limited situations, the Form 5500 preparer is not a tax return preparer under IRC § 7701(a)(36). (c) The preparer's status as a paid preparer, not the IRS's requirement for disclosure, creates the risk of additional liability to plan parties. (d) The IRS has authority under IRC § 6058 to require preparer information; it is not necessary to engage in a rulemaking.</p> <p>3. A Defined Contribution plan with a frozen money purchase pension plan account is required to answer this question for the frozen account if the plan identified the money purchase account on line 8a.</p> <p>The question is clearly stated: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?</p> <p>4. See response (1) above.</p> <p>5. A qualified plan must timely amend the plan to reflect the tax law changes within the remedial amendment period as required under IRC § 401(b). The date of the most recent determination letter will help</p>
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				<p>the IRS to determine whether the plan complies with the tax law changes. The determination letter program is not being terminated for individually designed plans, only curtailed.</p> <p>Both advisory and opinion letters contain an issue date and a series number which should be used in the response. If a plan has utilized more than one pre-approved plan in the same year, the date and series number of the most current pre-approved plan should be entered.</p> <p>6. This comment does not relate to the proposed tax compliance line items addressed in this Paperwork Reduction Act notice. This Schedule H item is in the previous year (2015) instructions.</p> <p>However, the IRS (working with DOL) clarified in the Employee Plans Newsletter on July 29, 2016, that in the absence of other guidance, filers do not need to report on Lines 4l of the Schedules H and I to the Form 5500 and 10f of the Form 5500-SF unpaid required minimum distribution (RMD) amounts for participants who have retired or separated from service, or their beneficiaries, who cannot be located after reasonable efforts or where the plan is in the process of engaging in such reasonable efforts at the end of the plan year reporting period.</p>
6	<p>FCJ & Associates, Inc</p> <p>Markley Actuarial Services, Inc.</p> <p>The Haslauer Group Inc.</p> <p>The MandMarblestone</p>	<p>7/26/2016</p> <p>7/27/2016</p>	<p>These 29 companies have the same comments and requests, including:</p> <ol style="list-style-type: none"> 1. Delay implementation of the proposed 2016 IRS changes to coincide with the effective date of the 3-agency Proposed Revision of Annual Information Return/Reports in the Federal Register published on July 21, 2016, to provide adequate lead time for substantive form and instruction changes. 	<p>All these comments and recommendations are substantially identical to the comment letters received on the 2015 PRA Notice and were responded to previously.</p> <p>1. These compliance questions are critical for IRS enforcement of the tax law relating to employee benefit plans. Lack of information negatively affects the IRS's ability to effectively focus on specific factors of noncompliance when selecting retirement plans for examination, which may result in the IRS selecting</p>

<p>Group llc</p> <p>Noble Davis Consulting, Inc. (4 copies)</p> <p>Gateway Pension Services, Ltd.</p> <p>Liden, Nestle, Soled & Associates, Inc.</p> <p>National Retirement Services, Inc.</p> <p>Barnard & Associates</p> <p>Atlantic Pension Services</p> <p>Reed-Ramsey, Inc. Keller CPAs. Matthews Benefit Group, Inc.</p> <p>Goldberg, Swedelson & Associates, Inc.</p> <p>Aegis Pension Services, Inc.</p> <p>Benefit Strategies, Inc.</p> <p>Retirement Solutions</p>	<p>7/28/2016</p> <p>7/29/2016</p>	<p>2. Eliminate the public disclosure of preparer information.</p> <p>Verify the computation of burden of burden for this and future Agency Submissions related to the Form 5500 series.</p>	<p>relatively more compliant plans, thereby increasing the burden on these plans, and may result in participants in noncompliant plans receiving incorrect benefits. Historically, the Treasury Inspector General for Tax Administration recommended reinstating tax questions on Form 5500 for compliance purposes.</p> <p>The Federal Register published the 2015 proposed Form 5500-SUP in December 2014 and May 2015. In 2016, the IRS worked to significantly simplify the version of the compliance questions provided on the 2015 proposed form. The 2016 version of the IRS proposed questions was published in March and June 2016. Annually, Form 5500 series changes are released in December of the year before the year in which the Form is effective. The vast majority of filings are not due until at least the following July 31. Historically, this standard timeframe has been sufficient for preparers. Thus, plan administrators should be able to timely collect the data and file returns. In any case, plan sponsors and plan administrators must retain the relevant data for tax qualification purposes, such as section 401(k) nondiscrimination, section 410(b) coverage, plan qualification, etc. Thus, the data should be readily accessible.</p> <p>DOL, PBGC, and IRS issued proposed revisions to the annual information returns/reports in the Federal Register on July 21, which include significant architectural and data element changes, and recompetete of the contract for the EFAST system that processes the 5500 Series.</p> <p>As specified in the proposed rules, the majority of proposed forms revisions are currently targeted for implementation in plan year 2019; some forms revisions may be implemented in earlier or later form years including but not limited to the IRS and PBGC changes for 2016 as shown in the proposed data</p>
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<p>Synergistic Planning Retirement Strategies, Inc. (14 Copies)</p> <p>Altigro Pension Services, Inc.</p> <p>KGK Group Ltd.</p> <p>Qualified Concepts Pension Consultants</p> <p>Teal, Becker & Chiaramonte CPAs P.C. (TBC)</p> <p>NOVA 401(k) Associates.</p> <p>Hunter Benefits Consulting Groups</p> <p>NPPG</p> <p>Troutman Sanders LLP.</p> <p>Pension Resourcesinc</p> <p>ARS Retirement Corp</p>	<p>7/31/2016</p> <p>8/1/2016</p>		<p>elements in Appendix A of the proposed rules.</p> <p>The IRS compliance questions added to the 2016 Form 5500 are integrated as part of the 3-agency proposed rules. As specified under the proposed rules, these IRS questions were planned to be implemented by the IRS in the 2016 Plan Year. These questions are critical to the IRS enforcement of tax laws. As suggested by TIGTA, the IRS has worked to bring these compliance questions back to Form 5500 since 2014. These IRS-only questions can help the Service to identify abusive transactions; identify plan qualification and funding issues; identify nondiscrimination and minimum coverage requirements issues; conduct special projects to identify potentially noncompliant retirement plans; populate risk models, and therefore, to help the Service achieving its tax administration responsibility, enforcing the applicable tax law and protecting participants' retirement benefits. These IRS-only questions will also help plan sponsors and plan administrators with internal control and ensure the plans are in compliance with the applicable tax laws. While IRS had planned to add these questions to the Form 5500 as soon as possible, IRS has decided to direct filers to skip these questions for 2016.</p> <p>2. 26 USC section 6058 mandates the annual return of an employer plan (i.e. Form 5500) reflecting information prescribed by the IRS relating to the operation of the plan (among other things). The preparation of the Form 5500 relates to the operation of the plan. 26 USC section 6104(b) requires that together with the name and address of the organization and trust, all information required pursuant to section 6058 shall be made available to the public.</p> <p>3 & 4. The computation of burden considered the total preparation time based on IRS' historic method</p>
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				<p>originally developed by Arthur D. Little. The requested data should be available since plans must know if they meet the requirements for plan qualification, and the information is generated annually. The plan sponsor, its attorney, accountant and benefit consultant generally work on a collaborative basis to gather the information to file the annual Form 5500. The information for these new items need only be added to the annual information request issued by the Form 5500 preparer and should put little additional burden on the taxpayer and its advisors and preparer.</p> <p>5. Although the IRS is not required to pursue the rule-making process for the IRS questions on the Form 5500 series, IRS has periodically held meetings with outside stakeholders, in addition to outreach efforts, including the Information Reporting Program Advisory Committee (IRPAC), Advisory Committee on Tax Exempt and Government Entities (ACT) and other professional groups to discuss tax law, tax forms and questions. We will continue working with these stakeholders for the future Form developments and conducting advance testing.</p>
7	Beasley & Company	7/28/2016	<ol style="list-style-type: none"> 1. Eliminate Form 5500-SUP due to its excessive, unnecessary burden, particularly for small businesses. If Form 5500-SUP is not eliminated, delay implementing the proposed 2016 IRS changes so that there is a single coordinated effective date for the IRS, DOL and PBGC changes. 2. Eliminate the public disclosure of preparer information. 	<ol style="list-style-type: none"> 1. These compliance questions are critical for IRS enforcement of the tax law relating to employee benefit plans. Lack of information negatively affects the IRS's ability to effectively focus on specific factors of noncompliance when selecting retirement plans for examination, which may result in the IRS selecting relatively more compliant plans, thereby increasing the burden on these plans, and may result in participants in noncompliant plans receiving incorrect benefits. Historically, the Treasury Inspector General for Tax Administration recommended reinstating tax questions on Form 5500 for compliance purposes. <p>Under the Tax Code and Treasury regulations, only filers who are required to file at least 250 returns of any type with the IRS during the calendar year are</p>

				<p>required to answer these IRS compliance questions electronically. Thus, Form 5500-SUP is designed as an optional paper form for use by those small filers who are not subject to the IRS electronic-filing mandate and who do not elect to answer the questions electronically under EFAST2.</p> <p>The Federal Register published the 2015 proposed Form 5500-SUP in December 2014 and May 2015. In 2016, the IRS worked to significantly simplify the version of the compliance questions provided on the 2015 proposed form. The 2016 version of the IRS proposed questions was published in March and June 2016. Annually, Form 5500 series changes are released in December of the year before the year in which the Form is effective. The vast majority of filings are not due until at least the following July 31. Historically, this standard timeframe has been sufficient for preparers. Thus, plan administrators should be able to timely collect the data and file returns. In any case, plan sponsors and plan administrators must retain the relevant data for tax qualification purposes, such as section 401(k) nondiscrimination, section 410(b) coverage, plan qualification, etc. Thus, the data should be readily accessible.</p> <p>DOL, PBGC, and IRS issued proposed revisions to the annual information returns/reports in the Federal Register on July 21, which include significant architectural and data element changes, and re-compete of the contract for the EFAST system that processes the 5500 Series.</p> <p>As specified in the proposed rules, the majority of proposed forms revisions are currently targeted for implementation in plan year 2019; some forms revisions may be implemented in earlier or later form years including but not limited to the IRS and PBGC changes for 2016 as shown in the proposed data</p>
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				<p>elements in Appendix A of the proposed rules.</p> <p>The IRS compliance questions added to the 2016 Form 5500 are integrated as part of the 3-agency proposed rules. As specified under the proposed rules, these IRS questions were planned to be implemented by the IRS in the 2016 Plan Year. These questions are critical to the IRS enforcement of tax laws. As suggested by TIGTA, the IRS has worked to bring these compliance questions back to Form 5500 since 2014. These IRS-only questions can help the Service to identify abusive transactions; identify plan qualification and funding issues; identify nondiscrimination and minimum coverage requirements issues; conduct special projects to identify potentially noncompliant retirement plans; populate risk models, and therefore, to help the Service achieving its tax administration responsibility, enforcing the applicable tax law and protecting participants' retirement benefits. These IRS-only questions will also help plan sponsors and plan administrators with internal control and ensure the plans are in compliance with the applicable tax laws. While IRS had planned to add these questions to the Form 5500 as soon as possible, IRS has decided to direct filers to skip these questions for 2016.</p> <p>2. 26 USC section 6058 mandates the annual return of an employer plan (i.e. Form 5500) reflecting information prescribed by the IRS relating to the operation of the plan (among other things). The preparation of the Form 5500 relates to the operation of the plan. 26 USC section 6104(b) requires that together with the name and address of the organization and trust, all information required pursuant to section 6058 shall be made available to the public.</p>
8	Blue Chip Retirement Plans Inc.	7/29/2016	<p>These two companies have identical requests:</p> <p>1. Delay implementation of the 2016 IRS proposed data collection to coincide with</p>	<p>1. These compliance questions are critical for IRS enforcement of the tax law relating to employee benefit plans. Lack of information negatively affects the IRS's ability to effectively focus on specific factors of</p>

	<p>United Retirement Consultants</p>		<p>the effective date of the 3-agency Proposed Revision of Annual Information Return/Reports published in the Federal Register on July 21, 2016.</p> <p>Eliminate the public disclosure of preparer information.</p>	<p>noncompliance when selecting retirement plans for examination, which may result in the IRS selecting relatively more compliant plans, thereby increasing the burden on these plans, and may result in participants in noncompliant plans receiving incorrect benefits. Historically, the Treasury Inspector General for Tax Administration recommended reinstating tax questions on Form 5500 for compliance purposes.</p> <p>The Federal Register published the 2015 proposed Form 5500-SUP in December 2014 and May 2015. In 2016, the IRS worked to significantly simplify the version of the compliance questions provided on the 2015 proposed form. The 2016 version of the IRS proposed questions was published in March and June 2016. Annually, Form 5500 series changes are released in December of the year before the year in which the Form is effective. The vast majority of filings are not due until at least the following July 31. Historically, this standard timeframe has been sufficient for preparers. Thus, plan administrators should be able to timely collect the data and file returns. In any case, plan sponsors and plan administrators must retain the relevant data for tax qualification purposes, such as section 401(k) nondiscrimination, section 410(b) coverage, plan qualification, etc. Thus, the data should be readily accessible.</p> <p>DOL, PBGC, and IRS issued proposed revisions to the annual information returns/reports in the Federal Register on July 21, which include significant architectural and data element changes, and re-compete of the contract for the EFAST system that processes the 5500 Series.</p> <p>As specified in the proposed rules, the majority of proposed forms revisions are currently targeted for implementation in plan year 2019; some forms revisions may be implemented in earlier or later form</p>
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				<p>years including but not limited to the IRS and PBGC changes for 2016 as shown in the proposed data elements in Appendix A of the proposed rules.</p> <p>The IRS compliance questions added to the 2016 Form 5500 are integrated as part of the 3-agency proposed rules. As specified under the proposed rules, these IRS questions were planned to be implemented by the IRS in the 2016 Plan Year. These questions are critical to the IRS enforcement of tax laws. As suggested by TIGTA, the IRS has worked to bring these compliance questions back to Form 5500 since 2014. These IRS-only questions can help the Service to identify abusive transactions; identify plan qualification and funding issues; identify nondiscrimination and minimum coverage requirements issues; conduct special projects to identify potentially noncompliant retirement plans; populate risk models, and therefore, to help the Service achieving its tax administration responsibility, enforcing the applicable tax law and protecting participants' retirement benefits. These IRS-only questions will also help plan sponsors and plan administrators with internal control and ensure the plans are in compliance with the applicable tax laws. While IRS had planned to add these questions to the Form 5500 as soon as possible, IRS has decided to direct filers to skip these questions for 2016.</p> <p>2. 26 USC section 6058 mandates the annual return of an employer plan (i.e. Form 5500) reflecting information prescribed by the IRS relating to the operation of the plan (among other things). The preparation of the Form 5500 relates to the operation of the plan. 26 USC section 6104(b) requires that together with the name and address of the organization and trust, all information required pursuant to section 6058 shall be made available to the public.</p>
9	Indiana Benefits	7/29/2016	Indiana Benefits, Inc. requests that IRS delay	These compliance questions are critical for IRS

			<p>implementation of the 2016 IRS proposed data collection to coincide with the effective date of the 3-agency Proposed Revision of Annual Information Return/Reports published in the Federal Register to provide ample opportunity to affected stakeholders for comment, revision and implementation of changes.</p>	<p>enforcement of the tax law relating to employee benefit plans. Lack of information negatively affects the IRS's ability to effectively focus on specific factors of noncompliance when selecting retirement plans for examination, which may result in the IRS selecting relatively more compliant plans, thereby increasing the burden on these plans, and may result in participants in noncompliant plans receiving incorrect benefits. Historically, the Treasury Inspector General for Tax Administration recommended reinstating tax questions on Form 5500 for compliance purposes.</p> <p>The <i>Federal Register</i> published the 2015 proposed Form 5500-SUP in December 2014 and May 2015. In 2016, the IRS worked to significantly simplify the version of the compliance questions provided on the 2015 proposed form. The 2016 version of the IRS proposed questions was published in March and June 2016. Annually, Form 5500 series changes are released in December of the year before the year in which the Form is effective. The vast majority of filings are not due until at least the following July 31. Historically, this standard timeframe has been sufficient for preparers. Thus, plan administrators should be able to timely collect the data and file returns. In any case, plan sponsors and plan administrators must retain the relevant data for tax qualification purposes, such as section 401(k) nondiscrimination, section 410(b) coverage, plan qualification, etc. Thus, the data should be readily accessible.</p> <p>DOL, PBGC, and IRS issued proposed revisions to the annual information returns/reports in the Federal Register on July 21, which include significant architectural and data element changes, and recompete of the contract for the EFAST system that processes the 5500 Series.</p> <p>As specified in the proposed rules, the majority of</p>
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				<p>proposed forms revisions are currently targeted for implementation in plan year 2019; some forms revisions may be implemented in earlier or later form years including but not limited to the IRS and PBGC changes for 2016 as shown in the proposed data elements in Appendix A of the proposed rules.</p> <p>The IRS compliance questions added to the 2016 Form 5500 are integrated as part of the 3-agency proposed rules. As specified under the proposed rules, these IRS questions were planned to be implemented by the IRS in the 2016 Plan Year. These questions are critical to the IRS enforcement of tax laws. As suggested by TIGTA, the IRS has worked to bring these compliance questions back to Form 5500 since 2014. These IRS-only questions can help the Service to identify abusive transactions; identify plan qualification and funding issues; identify nondiscrimination and minimum coverage requirements issues; conduct special projects to identify potentially noncompliant retirement plans; populate risk models, and therefore, to help the Service achieving its tax administration responsibility, enforcing the applicable tax law and protecting participants' retirement benefits. These IRS-only questions will also help plan sponsors and plan administrators with internal control and ensure the plans are in compliance with the applicable tax laws. While IRS had planned to add these questions to the Form 5500 as soon as possible, IRS has decided to direct filers to skip these questions for 2016.</p> <p>The computation of burden considered the total preparation time based on IRS' historic method originally developed by Arthur D. Little. The requested data should be available since plans must know if they meet the requirements for plan qualification, and the information is generated annually. The information for these new items need only be added to the annual information request issued by the Form 5500 preparer</p>
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				<p>and should put little additional burden on the taxpayer and its advisors and preparer.</p> <p>As we discussed above, the computation of burden time is based on IRS' historic method. Also all these requested data should be available even if these questions are not listed on Form 5500s because plans, including plans sponsored by small business, must meet these requirements for plan qualification. For example, a non-safe harbor 401(k) plan must perform an annual nondiscrimination test (ADP or ACP test) and the test information must be available regardless of whether these questions are listed on Form 5500 or not. The information for these new items need only be added to the annual information request issued by the Form 5500 preparer and should put little additional burden on the taxpayer and its advisors and preparer.</p>
10	ARA	8/1/2016	<p>ARA recommends that the effective date for mandatory completion of compliance questions be delayed to coincide with the effective date of the proposed Form 5500 series revisions by the DOL, which are expected to be applicable to the 2019 plan year Form 5500 filings.</p>	<p>These compliance questions are critical for IRS enforcement of the tax law relating to employee benefit plans. Lack of information negatively affects the IRS's ability to effectively focus on specific factors of noncompliance when selecting retirement plans for examination, which may result in the IRS selecting relatively more compliant plans, thereby increasing the burden on these plans, and may result in participants in noncompliant plans receiving incorrect benefits. Historically, the Treasury Inspector General for Tax Administration recommended reinstating tax questions on Form 5500 for compliance purposes.</p> <p>The <i>Federal Register</i> published the 2015 proposed Form 5500-SUP in December 2014 and May 2015. In 2016, the IRS worked to significantly simplify the version of the compliance questions provided on the 2015 proposed form. The 2016 version of the IRS proposed questions was published in March and June 2016. Annually, Form 5500 series changes are released in December of the year before the year in which the</p>

				<p>Form is effective. The vast majority of filings are not due until at least the following July 31. Historically, this standard timeframe has been sufficient for preparers. Thus, plan administrators should be able to timely collect the data and file returns. In any case, plan sponsors and plan administrators must retain the relevant data for tax qualification purposes, such as section 401(k) nondiscrimination, section 410(b) coverage, plan qualification, etc. Thus, the data should be readily accessible.</p> <p>DOL, PBGC, and IRS issued proposed revisions to the annual information returns/reports in the Federal Register on July 21, which include significant architectural and data element changes, and recompetes of the contract for the EFAST system that processes the 5500 Series.</p> <p>As specified in the proposed rules, the majority of proposed forms revisions are currently targeted for implementation in plan year 2019; some forms revisions may be implemented in earlier or later form years including but not limited to the IRS and PBGC changes for 2016 as shown in the proposed data elements in Appendix A of the proposed rules.</p> <p>The IRS compliance questions added to the 2016 Form 5500 are integrated as part of the 3-agency proposed rules. As specified under the proposed rules, these IRS questions were planned to be implemented by the IRS in the 2016 Plan Year. These questions are critical to the IRS enforcement of tax laws. As suggested by TIGTA, the IRS has worked to bring these compliance questions back to Form 5500 since 2014. These IRS-only questions can help the Service to identify abusive transactions; identify plan qualification and funding issues; identify nondiscrimination and minimum coverage requirements issues; conduct special projects to identify potentially noncompliant retirement plans;</p>
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				<p>populate risk models, and therefore, to help the Service achieving its tax administration responsibility, enforcing the applicable tax law and protecting participants' retirement benefits. These IRS-only questions will also help plan sponsors and plan administrators with internal control and ensure the plans are in compliance with the applicable tax laws. While IRS had planned to add these questions to the Form 5500 as soon as possible, IRS has decided to direct filers to skip these questions for 2016.</p>
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