

5500 Forms: Including Schedule C

Generally, **Employee Retirement Income Security Act (ERISA)**-governed group health and welfare plans with 100 or more participants at the beginning of the plan year must file Form 5500 annually. Included under this umbrella are different types of health plans, such as medical, dental, vision, and life insurance plans, as well as flexible spending accounts (FSAs), health reimbursement arrangements (HRAs), short-term and long-term disability plans, and group legal plans.

The primary factor determining filing requirements is the number of participants. In short, if ERISA covers a given health and welfare plan and has 100 or more people participating, that plan will need to file Form 5500. (There are, however, some exceptions to the filing requirement, i.e., for small plans with fewer than 100 participants, governmental plans, and church plans.) For the most part, plans file the necessary Form 5500 series return/report along with required schedules and attachments.

In terms of its overarching purpose, Form 5500 is a vital source of information and data for federal agencies, Congress, and the private sector to evaluate employee benefits, tax, and economic trends and policies, as it reports information on the qualification of the plan. The IRS, Department of Labor, and Pension Benefit Guaranty Corporation developed Form 5500-series returns for employee benefit plans to satisfy annual reporting requirements under Title I and Title IV of ERISA and the Internal Revenue Code. The underlying purpose of ERISA's reporting and disclosure framework is to ensure that employee benefit plans are operated and managed in accordance with specific prescribed standards and that participants and beneficiaries, as well as regulators for that matter, are provided or have access to ample information to safeguard the rights and benefits of participants and beneficiaries under employee benefit plans.

When to file:

Typically, plan sponsors must file the return on the last day of the seventh month after their plan year ends. Thus, the due date for a calendar year plan would be July 31.

Among the changes for the 2024 filing:

- Defined contribution group plan arrangements may file for an extension of time to file Form 5500 without needing to attach a list of participant plans.
- Modifications to the process of filing an attached Schedule SB reporting expected benefit payment projections when plans are reporting on benefits to be paid in the form of an annuity.

Who files:

- The employer maintaining the plan or the plan administrator of a pension or welfare benefit plan covered by ERISA.

Additionally, Schedule C of Form 5500 is used to provide information about service providers who receive compensation for services rendered to the plan. It requires details on direct and indirect compensation received by certain service providers, as well as any termination settlements or fees. This schedule assists in maintaining transparency regarding the fees and expenses associated with managing employee benefit plans.

The most updated version of Schedule C (Form 5500) on the Department of Labor website can be found at the link below:

www.dol.gov/sites/dolgov/files/ebsa/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500/2024-schedule-c.pdf

Please see a link below to the DOL's website that has the entire Form 5500 Series outlined with corresponding instructions:

www.dol.gov/agencies/ebsa/employers-and-advisers/plan-administration-and-compliance/reporting-and-filing/form-5500

For further information about Form 5500, please visit this link below:

www.irs.gov/retirement-plans/form-5500-corner