



COMPLIANCE SERVICES ALERT LOCKTON BENEFIT GROUP



Nov. 2, 2016

Department of Labor Releases 2016 Form 5500

The Department of Labor (DOL) recently released the [2016 Form 5500 Annual Return/Report, 2016 Form 5500-SF](#), and related Schedules. The 2016 Form 5500 looks remarkably similar to the 2015 Form 5500, with some minor modifications that might impact welfare plan filings. Plan sponsors should take note of the following changes:

- The [2016 Form 5500 Instructions](#) (“Instructions”) have been updated to include the increased maximum civil penalty amount of \$2,063 per day for failure or refusal to file a complete or accurate Form 5500. The increased penalty amount of \$2,063 is applicable for penalties assessed after August 1, 2016 for violations occurring after November 2, 2015.

Lockton Comment: While the increased penalty amounts, like their predecessors, are frighteningly large to the plan sponsor that misses a filing deadline, substantially reduced late filing penalties are available through the [DOL’s Delinquent Filer Voluntary Compliance Program](#).

- Plan sponsors do not need to complete the “Preparer’s Information” section found on the first page of both the Form 5500 and Form 5500-SF. The 2016 Forms still contain a section requesting that information, but the Instructions direct the filer to skip this section when completing the filing.
- Plan sponsors are not required to complete applicable trust-related questions on Schedules H and I, Lines 4o and 6a-6d. Note that most welfare plans are unfunded or are *treated* as unfunded (e.g., employee contributions are made pre-tax under a Tax Code section 125 cafeteria plan, and not held in trust) and therefore are not required to complete Schedule H or I.

Please click for the sample [2016 Form 5500 and applicable Schedules](#). Forms 5500 must be filed electronically, so the hard copy of the Form available via this link is simply a sample Form.

For questions related to the Form 5500 and your plan reporting obligations, please contact your Lockton Account Team.

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