



## **THE 2009 FORM 5500 EZ, EFAST2 ELECTRONIC FILING, “VOLUNTARY” QUESTIONNAIRES FOR 401(K) PLAN SPONSORS**

### **PLUS FEE DISCLOSURE IS AROUND THE CORNER**

June 2010 promises to be a busy and eventful month!

The IRS has published the 2009 Form 5500 EZ. Additionally, the IRS completed work on a “voluntary” questionnaire to be sent to twelve hundred 401(k) Retirement Plan Sponsors - these Plan Sponsors were randomly selected. On the other side of Washington, the Department of Labor geared up its electronic filing for the remaining Form 5500 Reporting Series.

#### **The 2009 Paper Form 5500 EZ**

On Saturday, May 8, 2010, the IRS posted to its website the updated 2009 Form 5500 EZ. This EZ form can be the form of choice for the “one person, or husband/wife” retirement plan as it can be completed and filed on paper with the IRS. In contrast, the other Form 5500 Series forms, the new Form 5500 SF and the traditional Form 5500, are filed electronically with the Employee Benefits Security Administration (“EBSA”) and available for public viewing online.

This release of the 2009 Form 5500EZ was long awaited by NRS. We can now begin the completion and filing for these family sponsored retirement plans to meet the July 31, 2010 deadline. You will note that the new 2009 EZ version is a little shorter, with different formatting, and less intrusive questions. Where necessary, this July 31, 2010 deadline can be extended until October 15, 2010.

For Plan Sponsors who have historically filed the EZ form, you can now choose to file “electronically” on the new Form 5500 SF. Contact your NRS Account Manager for more information.

#### **The 2009 Electronic Filing System:**

As we have mentioned throughout this year, any calendar 2009 Form 5500 Series (other than the Form 5500 EZ) must be electronically prepared and filed with the EBSA by July 31, 2010. This electronic filing program (dubbed “EFAST2”) has had a bumpy childhood after being delayed for a number of years. Nevertheless, your NRS Account Manager will be communicating with you regarding your role in reviewing the Form 5500SF (for plans with less than 100 participants at the start of the year) or the traditional Form 5500 (for plans with 100 or more participants at the start of the year). Typically, you will be asked to review your Form 5500 Series online, indicate your approval (or possible changes), and then your Account Manager will guide you through the process of electronically submitting your 5500 Series. For those plan sponsors without access to a computer, please contact your NRS Account Manager for supplementary procedures. Like the IRS Form 5500EZ, an extension can be requested for filers of the Form 5500SF or traditional Form 5500.

#### **For 1,200 401(k) Plan Sponsors, the IRS’ “VOLUNTARY” Questionnaire**

In mid May, the IRS announced that twelve hundred 401(k) plan sponsors had been selected at random to receive a comprehensive questionnaire for their online completion. This questionnaire covers all the major topics associated with a retirement plan such as: the employee groups participating in the 401(k) plan, the type of money received by these participants (employer vs. employee contributions), and general retirement plan administration.

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Many questions seem simple such as (Q # 25h) “the maximum repayment term for plan participant loans”. But, certain replies, such as “*other/or none of the above*” may not be a good choice. Although the questionnaire is deemed to be voluntary, failure to complete the questionnaire within the specified deadline could subject your plan to an IRS audit. But, answering the questionnaire timely, albeit with “unfortunate” answers, will also ensure a follow up by the IRS. Thus, we encourage any clients receiving such an IRS questionnaire to contact their NRS Account Manager. For a quick peek at the IRS’ top ten (10) “hot points” about your plan, please see the link below.

*The IRS’ top ten questions about your 401(k) plan are noted here.*

<http://www.irs.gov/retirement/article/0,,id=223440,00.html> or [click here](#)

### **Fee Disclosure:**

*The Department of Labor’s Retirement Plan Fee Disclosure* rules are slated to be published this summer and it promises to make Plan fees more transparent. In essence, these new rules will “lift the hood” on some vendor’s opaque pricing which may be hidden within your retirement plan account. We anticipate that these supplementary Fee Disclosures will give a better understanding of what fees are charged against your retirement plan account and who are the recipients.

### **Defined Benefit Plan Restatements:**

*Defined Benefit Pension Plan Restatements* will be required over the next two (2) years. Such a Restatement provides assurance that your pension plan remains tax-qualified, including all new laws and regulations affecting the document. This is part of the IRS’ ongoing program to update plans every

five to six years. This is also an opportunity to tune up your plan and look at possible improvements that would help you meet your retirement plan goals. Your NRS Account Manager will be contacting you later in the year with additional information.

As always, your NRS Account Manager stands ready to discuss value added strategies for your retirement plan.

NRS is here to help!



**For more information or to request a proposal, please visit our website at [www.NRServices.com](http://www.NRServices.com), or for sales support, please contact:**

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