

**Comments of the
National Coordinating Committee for Multiemployer Plans
Incorporated into the
New Form 5500**

September 23, 1998

In September 1997, government agencies proposed revisions to Form 5500, the annual return for employee benefit plans, and invited comment. In November 1997, the NCCMP submitted its comments. The revised Form 5500 ultimately adopted incorporates many of the changes suggested by the NCCMP.

Schedule R (formerly Schedule PEN) now incorporates an important suggestion made by the NCCMP. The proposed revision would have required plans to report the number of participants who received distributions other than in the form of a qualified joint and survivor annuity, qualified preretirement survivor annuity, or life annuity (if unmarried). Although plans typically have data on individual participants and the form of benefits they choose (including, for example, whether a participant who receives a single life annuity elected that form of benefit, or received it automatically because he was unmarried), that data is not usually available on an aggregate basis. The NCCMP pointed out that plans would have to compile the information by searching individual files. The final Schedule R, however, only requires reporting the number of participants in

that plan year whose benefits were distributed in a lump sum. This change represents a significant improvement since that information is more likely to be available in aggregate form through existing data systems.

The NCCMP also commented on Schedule T, “Qualified Pension Plan Coverage Information” (formerly Schedule Q), which requires a multiemployer plan to report on the nondiscrimination compliance of employers who also participate in the plan on behalf of noncollectively bargained employees. As the NCCMP noted, many plans have “fail-safe” rules in order to ensure safe harbor compliance with the nondiscrimination rules. The proposed schedule would have required a separate Schedule T for each employer, even where most or all employers fell within a safe harbor. The instructions to the schedule now permit submission of a list of employers, indicating which of the exceptions on Schedule T each employer satisfies. Separate Schedules T need only be submitted for participating employers who do not meet one of the safe harbors. In addition, the requirement that each employer sign the Schedule T was eliminated, as suggested by the NCCMP.

The final form also incorporates some smaller, but still helpful, changes suggested by the NCCMP. For example, the Form 5500 itself requires the plan to enter codes describing the types of benefits payable under the plan. In accordance with an NCCMP suggestion, the instructions now include a code describing a form of benefit not covered by the codes in the proposed revision. The NCCMP also expressed concern that the portion of the Form 5500 requiring

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information about the preparer did not seem to contemplate the use of multiple preparers, *e.g.*, accountants, administrators, etc., as is typically the case with multiemployer plans. The final revised Form 5500 makes the preparer information optional. Finally, the revised Schedule P, Annual Return of Fiduciary of Employee Benefit Trust, incorporates the NCCMP suggested statement that the filing of Schedule P is necessary in order to begin the running of the statute of limitations.

The new Form will go into effect for the 1999 plan year.

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