

## Employee Benefits Plan Newsletter

# Changes: 2018 Form 5500 Annual Return/Report

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Many of you are now gathering the necessary information to prepare your organization's employee benefit plan(s) IRS Form 5500, Annual Return/Report for 2018. Our Employee Benefit Services team put together this listing of changes from the prior year Form to the 2018 Form to assist in preparing the returns.

Here's a quick look at what you can expect with the new forms.

### Changes

As we see it, the following items are among the changes:

1. **Principal Business Activity Codes, Page 1, Line 2d.** Principal Business Activity Codes have been updated to reflect certain updates to the North American Industry Classification System (NAICS).
2. **Administrative Penalties.** The instructions have been updated to reflect an increase to \$2,194 per day in the maximum civil penalty amount assessable under the Employee Retirement Income Security Act (ERISA).
3. **Form 5500—Participant Count.** The instructions for Lines 5 and 6 have been enhanced to make clearer that welfare plans complete only Line 5 and elements 6a(1), 6a(2), 6b, 6c and 6d in Line 6.
4. **List of Plan Characteristics Codes for Lines 8a and 8b (Lines 9a and 9b for SF filers).** Plan characteristic code 3D has been updated to reflect the IRS changes on the pre-approved plans as prescribed in Revenue Procedure 2017-41.
5. **Schedule MB—Contributions.** The instructions for Line 3 have been modified to require an attachment in situations where a reported contribution to a multiemployer plan includes a withdrawal liability payment.
6. **Schedule MB—Plan in Critical Status or Critical and Declining Status.** The instructions for Line 4f (where multiemployer plans expected to become insolvent or emerge from trouble status report the year in which such insolvency or emergence is expected to occur) have been modified to require an attachment proving additional information about how that year was determined. In addition, the instructions now include guidance about what to report if a troubled plan is neither projected to emerge from critical status nor become insolvent within 30 years.
7. **Schedule SB—Mortality Tables.** Line 23, where filers check a box to indicate which set of mortality tables is used, has been updated to provide additional options available under Treas. Reg. Section 1.43(h)(3). The instructions for Line 23 have been modified to reflect this change.

8. **Schedule SB.** Schedule SB has been updated to reflect the issuance of Revenue Procedure 2017-56 with respect to change in funding methods.
  - a. Line 23 has been updated to reflect final regulations prescribing mortality tables to be used by most defined benefit (DB) plans.
  - b. Line 27, Codes 5 and 8 are no longer applicable and should not be used.
  - c. Lines 42 and 43 have been removed. Pursuant to the Pension Relief Act of 2010, there are no installment acceleration amounts or installment acceleration amount carryovers after the 2017 plan year.
9. **Schedule R.** Schedule R has been updated to reflect the issuance of Revenue Procedure 2017-56, 2017-44, with respect to the change in funding methods. Also, the Schedule R instructions under "Who Must File" have been updated to reflect the removal from Schedule R of certain IRS compliance questions.

## Contact Us

The Employee Benefit Services Group at PKF O'Connor Davies is available to assist employers with the various compliance reporting and other requirements imposed by federal agencies. We also provide a full spectrum of compliance services for qualified retirement plans, non-qualified deferred compensation plans, and welfare plans.

For more information, please contact your client services partner or either of the following:

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