

Employee Benefit Plans Alert

2022 Plan Year Reporting for Employee Benefit Plans

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This Alert provides both an update and a reminder of the reporting requirements and due dates for certain employee benefit plans. With the many exceptions and circumstances that can impact plan reporting, we will inform you as updates to requirements are released.

Please note this Alert covers current changes and due dates for the Form 5500 series, Form 8855-SSA, and Form 720 for the 2022 plan year. Upcoming 2023 changes for Form 5500 are also provided.

Overview of Form Requirements

Generally, the requirements for the Form 5500, *Annual Return/Report of Employee Benefit Plan* and required schedules for qualified retirement plans, 403(b) plans and large welfare plans (100 or more enrolled participants at the beginning of the plan year) and the Form 8955-SSA, *Annual Registration Statement Identifying Separated Participants with Deferred Vested Benefits*, is to file the applicable forms seven (7) months after the plan year ends. For a 2022 calendar year plan, July 31, 2023 would be the filing deadline. The Form 8955-SSA can be electronically filed with the IRS.

The 5500 series forms for 2022 have previously been released by the Department of Labor (DOL), the Internal Revenue Service (IRS) and the Pension Benefit Guaranty Corporation (PBGC). Electronic filing of the Form 5500 series return is required through the DOL's EFAST System.

Form 5558 is used to request an extension of time to file a tax form. This filing is paper filed to the IRS Ogden Utah Service Center by the form's due date.

Exceptions and other requirements may allow for paper filing.

Form 5500 Changes

2022 plan year Forms 5500/5500-SF changes mostly affect defined benefit plans, with a few changes affecting defined contribution plans. The changes being made affect reporting for Multiple Employer Plans (MEPs), actuarial Schedules MB and SB and Schedule R.

Below is a summary of some of the changes:

- Addition of new defined contribution MEP characteristics codes in Part II to Forms 5500 and 5500-SF for lines 8 and 9 respectively. The characteristics codes being added are:
 - Code 2U [MEP that is an association retirement plan],
 - Code 2V [MEP that is a Professional Employer Organization (PEO) Plan],
 - Code 2W [MEP that is a Pooled Employer Plan (PEP) – **only** applicable to Form 5500] and
 - Code 2X [MEP that doesn't fall under 2U, 2V, and/or 2W].
- For Schedule MB, instructions for line 3 now require an attachment showing the date and amount for each withdrawal liability payment and separation of lump sum and periodic payments.
 - For line 8b(1), the projection period of benefit expected to be paid increased to a 50-year period from a 10-year period for plans with 1,000 or more participants. Previously, these instructions were applicable to plans with 500 or more participants.

- Line 8(b)3 is a new line that was added. This line requires plans with 1,000 or more participants to provide – as an attachment – a 10-year contribution/withdrawal projection.
- For Schedule SB, line 26, is now line 26(a) and line 26(b) is the expected benefit payments projection question and it requires an attachment.
- Schedule R, line 13, now requires plans to report specific information for participating employers that either contributed more than 5% or was one of the top 10 highest contributors.

Form 8955-SSA Changes

The Form 8955-SSA is a tax form required to be filed with the IRS. The purpose of the Form is to report former participants who did not withdraw their vested balance from a retirement plan as of the last day of the applicable plan year. There are two (2) different methodologies used to complete Form 8955-SSA.

The Form 8955-SSA is separated into three (3) different parts: Identification information, Basic Plan Information and Participant Information. Items that are included on the Form 8955-SSA include: Social Security Number (SSN), participant's name, vested account balance (or periodic payment from a defined benefit plan) and frequency of the payment. Depending on other circumstances, additional information may need to be included on the Form 8955-SSA.

Form 8955-SSA is filed with the IRS and shared with the Social Security Administration (SSA) where it is stored in the SSA database. The SSA uses this data to notify individuals who apply for social security benefits and are entitled to retirement benefits from a previous employer's retirement plan. No changes were made to the Form 8955-SSA for 2022.

Form 720

Form 720 is an IRS form that is used by businesses that provide goods and services to report and pay excise taxes.

Health plan sponsors need to be aware that they may be required to file this tax form for payment of the Patient-Centered Outcomes Research Institute (PCORI) fee with the Department of the Treasury by July 31, 2023. This Form needs to be paper filed to the IRS Center in Ogden, Utah. The PCORI fee is imposed on an issuer of specific health insurance policies and on plan sponsors of self-insured plans (e.g., health reimbursement account [HRA]).

The applicable dollar amount for a policy year or plan year ending before October 1, 2022 is \$2.79 per covered life. For a policy year or plan year ending on or after October 1, 2022 and before October 1, 2023, the applicable fee is \$3.00 per covered life.

Upcoming Changes to the Form 5500 for 2023

The DOL/IRS/PBGC have issued the final rules for 2023 Form 5500 changes:

- New plan compliance questions, generally applicable to the Internal Revenue Code requirements.
- New filing options for Defined Contribution Groups (DCG).
- Changes on how Defined Contribution (DC) plan participants are counted to determine whether a plan is eligible for small plan reporting.
- Creation of a new schedule (Schedule MEP) and updated existing ones (Schedule R and Schedule SB).
- Schedule H expanded line items to report more detailed expense categories. These additional categories will include: record keeping, custodial, auditor, actuarial and legal fees.

We expect to provide other Employee Benefit Plans Alerts on these changes.

The PKF O'Connor Davies Employee Benefit Tax Practice professionals continuously encounter and resolve reporting issues for our clients. Examples of such situations include short plan years due to plan mergers, a terminating plan, delinquent filings, direct reporting entities and the number of participants in the plan as of the beginning of the plan year.

We are available to assist plan sponsors in meeting the various compliance requirements applicable to their plans. We also provide a full spectrum of compliance services for qualified retirement plans, nonqualified deferred compensation plans and welfare plans. For more information, please contact your client services partner or either of the following:

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