

Retirement News for Employers

June 13, 2014 Edition

Penalty relief

- **Form 5500-EZ** – new [pilot program](#) offers no late filing penalties if you file before June 2, 2015, and meet other requirements
- **Forms 5500 and 5500-SF** – to get [IRS penalty relief](#), you must file Form 8955-SSA

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- **Mid-year retirement savings checkup** – [review](#) your retirement contributions

Updated

- [SEP Plan FAQs Participation Requirements](#)
 - [401\(k\) Plans For Small Businesses \(Pub. 4222\)](#)
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New Penalty Relief Program for Form 5500-EZ Late Filers

A new pilot program gives sponsors and administrators of retirement plans **not** covered by Title I of ERISA automatic relief from IRS late filing penalties on past due:

- Form 5500-EZ, *Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan*, or
- Form 5500, *Annual Return/Report of Employee Benefit Plan*, if you must file this return because your non-ERISA plan doesn't meet the filing requirements for Form 5500-EZ for plan years before 2009.

The pilot program will be open from June 2, 2014 to June 2, 2015 ([Revenue Procedure 2014-32](#)). No fee or other payment is required under the pilot program.

Plans eligible for relief

- Non-ERISA plans covering only a 100% business owner or one or more partners, and their spouses (no common law employee participants).
- Plans maintained outside the U.S. primarily for non-resident aliens (foreign plans) subject to IRS annual reporting.

Your plan isn't eligible for relief under the pilot program for any year that your plan was subject to Title I of ERISA. Instead, you may pursue penalty relief for these years through the Department of Labor's [Delinquent Filer Voluntary Compliance Program](#).

Program requirements

To qualify for penalty relief, you must:

1. Not have received a CP 283 Notice, *Penalty Charged on Your 5500 Return*, for the delinquent return.
2. File the late return plus any required schedules and attachments, using the original IRS form for that year (but use only a Form 5500-EZ for 2009 and later years even if the plan could've originally submitted a Form 5500-SF). Annual actuarial reports for

defined benefit plans need to be prepared even if they are not required to be included with the filed return.

3. Write in red letters in the top margin of the first page above the title of the form “Delinquent return submitted under Rev. Proc. 2014-32, Eligible for Penalty Relief” on each late return that you submit (failure to do this may cause your late return to be ineligible for penalty relief).
4. Attach a completed one-page [transmittal schedule](#) to the front of each late return.
5. Mail (electronically filed returns through EFAST2 are **ineligible** for penalty relief under the pilot program):
 - **Forms 5500-EZ** to:
Internal Revenue Service
1973 North Rulon White Blvd.
Ogden, UT 84404-0020
 - **Forms 5500** to:
Internal Revenue Service
Employee Plans Delinquent Filer Program
EP Classification
9350 Flair Drive
El Monte, CA 91731-2828

You may use the United States mail or the following **private delivery services**:

- DHL Express: DHL Same Day Service.
- Federal Express: FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2 Day, FedEx International Priority and FedEx International First.
- United Parcel Service: UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus and UPS Worldwide Express.

Penalties waived

The plan sponsor or administrator can face late filing penalties for delinquent Forms 5500 and Forms 5500-EZ as high as \$15,000 for each late return, plus interest.

Requests for comments on a permanent late filer program

At the close of this pilot program, we’re considering a permanent program, which will likely require late filers to pay a fee or other payment. We invite your comments on:

- Whether we should establish a permanent program?
- How should we determine fees for late filed Forms 5500-EZ and 5500?

Please send your comments by:

- **Mail to:**
CC:PA:LPD:PR (Rev. Proc. 2014-32),
Room 5203, Internal Revenue Service,
POB 7604 Ben Franklin Station,
Washington, D.C. 20044
- **Hand delivery** (Monday - Friday, 8 a.m. - 4 p.m. ET) to:
CC:PA:LPD:PR (Rev. Proc. 2014-32),
Courier's Desk, Internal Revenue Service,
1111 Constitution Ave., N.W.,
Washington, D.C.
- **Email to:** Notice.comments@irscounsel.treas.gov - include "Rev. Proc. 2014-32" in the subject line.

Additional resources

- [Revenue Procedure 2014-32](#) (pilot penalty relief program)
- [Transmittal schedule](#) for the penalty relief program
- Get [prior year forms](#) – enter 5500-EZ in the Find box
- [Notice 2014-35](#) (IRS penalty relief for late annual returns)
- [Changes to IRS Penalty Relief for DOL DVFC Filers of Late Annual Reports](#)
- [Form 5500 Corner](#)

Changes to IRS Penalty Relief for DOL DFVC Filers of Late Annual Reports

Since 2002, the IRS has waived its late filing penalties for Form 5500 series filers who satisfy the Department of Labor's [Delinquent Filer Voluntary Compliance Program](#) requirements. However, due to changes to the DOL's electronic filing system, filings under DFVC no longer include all information required by the IRS. The [Form 8955-SSA, Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits](#), which replaced the Schedule SSA (Form 5500), must be filed directly with the IRS.

The IRS has therefore modified the requirements for qualifying for IRS penalty relief. The IRS is now waiving its late filing penalties only for filers who:

1. satisfy the Department of Labor's [Delinquent Filer Voluntary Compliance Program](#) requirements for:
 - Forms 5500, *Annual Return/Report of Employee Benefit Plan*, or
 - Form 5500-SF, *Short Form Annual Return/Report of Small Employee Benefit Plan*;
2. file a paper Form 8955-SSA with the IRS for the same delinquent tax year filings; and
3. meet the requirements of [Notice 2014-35](#) (see below).

Plans eligible for relief

Retirement plans governed by Title I of ERISA that:

- must file a Form 5500-series return (but not Forms 5500-EZ or 5500-SF for plans without employees); and
- are eligible for DOL's Delinquent Filer Voluntary Compliance Program.

The IRS has a separate [Form 5500-EZ Late Filer Pilot Program](#) for relief from late filing penalties for non-ERISA plans that must file Forms 5500-EZ or 5500-SF because they cover only the owner, partner and spouses.

Requirement of Notice 2014-35 for penalty relief

You don't have to request relief from the IRS. Instead, you can qualify for penalty relief if you complete the following steps:

1. satisfy all of the Delinquent Filer Voluntary Compliance Program requirements
2. file a paper Form 8955-SSA with the IRS (electronic filings aren't eligible)
3. check the box on Form 8955-SSA, Part I, line C (Special extension), and enter "DFVC" in the description on line C
4. mail the Form 8955-SSA for the delinquent returns to the IRS (address in the [instructions](#)) by the later of:
 - 30 calendar days after you complete the DFVC filing, or
 - December 1, 2014.

IRS penalties that can be waived

In addition to DOL penalties, plan administrators may also face IRS penalties for not filing the plan's Form 5500-series annual return and Form 8955-SSA by the required [deadline](#). The IRS may impose a penalty of:

- \$1 for each participant for whom the plan fails to file a Form 8955-SSA statement for each day the failure continues, up to \$5,000 for any plan year
- \$1 for each day for not filing a notification of change of status, up to \$1,000
- \$1,000 for each failure to file an actuarial report by the required deadline
- \$25 each day the Form 5500-series return is not filed, up to a maximum of \$15,000

Additional resources

- [Notice 2014-35](#)
 - [Form 5500 Corner](#)
 - [Form 8955-SSA Resources](#)
 - [New Penalty Relief Program for Form 5500-EZ Late Filers](#)
 - [Revenue Procedure 2014-32](#) (pilot program for late Form 5500-EZ filers)
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Mid-Year Plan Amendments Related to Marriages of Same-Sex Couples

Safe harbor 401(k) or 401(m) plans may be amended mid-year to comply with the Supreme Court's decision in [United States v. Windsor](#) and related IRS guidance in [Revenue Ruling 2013-17](#) and [Notice 2014-19](#) ([Notice 2014-37](#)). The Windsor decision invalidated Section 3 of the 1996 Defense of Marriage Act (DOMA), which barred married same-sex couples from being treated as married under federal law.

When plan amendments are required

A plan with terms that are inconsistent with Windsor or Revenue Ruling 2013-17 must be amended to comply ([Notice 2014-19](#)). For example, a plan must be amended if it defines "spouse" by reference to section 3 of DOMA, or only as a person of the opposite sex. Similarly, a plan must also be amended if a plan sponsor chooses to reflect the outcome of Windsor for periods prior to the date Windsor was decided. Required amendments must generally be adopted by the later of December 31, 2014, or the applicable date under the IRS' general amendment guidance for qualified retirement plans, [Revenue Procedure 2007-44](#) (Q&A-8 of [Notice 2014-19](#)).

Safe harbor plan rules

A safe harbor 401(k) or 401(m) plan must generally be adopted at the beginning of a plan year and maintained throughout the full 12-month year. Plan amendments to reflect Windsor and related IRS guidance are exceptions to this general rule.

Additional resources

- [Treatment of Marriages of Same-Sex Couples for Retirement Plan Purposes](#)
 - [Revenue Ruling 2013-17](#) – treatment of same-sex marriage for federal tax purposes
 - [FAQs](#) on treatment of same-sex marriage for retirement plans
 - [401\(k\) Plans](#)
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Accepting Rollover Contributions

Plan administrators accepting distributions from tax-qualified plans and IRAs now have simpler due diligence procedures. The new procedures in [Revenue Ruling 2014-9](#) include these examples:

- A plan participant delivering a check made payable to the plan administrator of the recipient plan and certifying the eligibility of the funds as rollover contributions.
- Plan administrators verifying the payment's source (on the rollover check or wire transfer) as the participant's IRA or former retirement plan.

- Plan administrators researching the Department of Labor's EFAST2 database for the former plan's Form 5500 filing to verify that the plan was a tax-qualified plan.

The [instructions](#) for line 19c of [Form 5310](#), *Application for Determination for Terminating Plan*, mention one way of satisfying the due diligence for accepting rollover contributions, but don't provide a full list. Plan administrators should see Revenue Ruling 2014-9 for a complete list of due diligence examples for accepting rollovers.

Additional resources

- [Verifying rollover contributions](#)
- [Rollovers of retirement plan and IRA distributions](#)
- [Rollover chart](#) – permissible retirement plan rollover transactions
- [Internal controls protect your retirement plan](#)
- [Tax information for retirement plan sponsors](#)

IRA One-Rollover-Per-Year Rule

Beginning as early as January 1, 2015, you can make only one rollover from an IRA to another (or the same) IRA in any 12-month period, regardless of the number of IRAs you own ([Announcement 2014-15](#)). You can, however, continue to make as many trustee-to-trustee transfers between IRAs as you want. You can also make as many rollovers from traditional IRAs to Roth IRAs ("conversions") as you want.

Current law

You don't have to include in your gross income any amount distributed to you from a traditional IRA if you deposit the amount into another (or the same) traditional IRA within 60 days (Internal Revenue Code Section 408(d)(3)). Under Internal Revenue Code Section [408\(d\)\(3\)\(B\)](#), only one IRA-to-IRA rollover can be made in any 12-month period. Proposed Treasury Regulation Section 1.408-4(b)(4)(ii), published in 1981, and IRS [Publication 590](#), *Individual Retirement Arrangements (IRAs)* interpret this limitation as applying on an IRA-by-IRA basis, meaning a rollover from one IRA to another would not affect a rollover involving other IRAs of the same individual.

U.S. Tax Court decision

The Tax Court recently held that you can't make a non-taxable rollover from one IRA to another if you have already made a rollover from **any** of your IRAs in the preceding 1-year period ([Bobrow v. Commissioner](#), T.C. Memo. 2014-21). Following the holding in this decision means:

- you must include in gross income any previously untaxed amounts distributed from an IRA if you made an IRA-to-IRA rollover in the preceding 12 months, and
- you may be subject to the 10% early withdrawal tax on the amount you include in gross income.

Additionally, if you pay these amounts into another (or the same) IRA, they may be:

- [excess contributions](#), and
- taxed at 6% per year as long as they remain in the IRA.

Prospective application

The IRS intends to follow the Tax Court's interpretation of Internal Revenue Code Section [408\(d\)\(3\)\(B\)](#). However, to give IRA owners and trustees time to adjust, the IRS will delay implementation until January 1, 2015, at the earliest. Proposed Treasury Regulation Section 1.408-4(b)(4)(ii) will be withdrawn and Publication 590 will be revised to reflect the new interpretation.

Only rollovers will be affected

This change won't affect your ability to transfer funds from one IRA trustee directly to another, because this type of transfer isn't a rollover (Revenue Ruling 78-406, 1978-2 C.B. 157). The one-rollover-per-year rule of Internal Revenue Code Section 408(d)(3)(B) applies only to rollovers.

Additional resources

- [Individual Retirement Arrangements \(IRAs\)](#)
 - [Rollover of Retirement Plan and IRA Distributions](#)
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Requesting Copies of Plan Documents in Determination Letter Applications

You may request a copy of a retirement plan's determination letter application and certain other related documents from the IRS. Generally, the application file includes the:

- plan document, including any amendments or restatements;
- correspondence related to the application; and
- determination letter issued by the IRS for the plan.

The IRS can't disclose the following types of information that may be in the application file:

- participant names or compensation;
- voluntary correction program or examination issues, if present;
- any other communication that doesn't directly support the application; or
- any information the IRS determines may adversely affect national defense.

An applicant may also request non-disclosure of information pertaining to a trade secret, patent, process, style of work, or apparatus if the applicant would be adversely affected by its disclosure.

Who may request a copy of the determination letter application?

For plans with:

- **more than 25 participants** - anyone may request a copy
- **25 or fewer participants** - only the following or their designed Power of Attorney may request a copy:
 - the employer;
 - current plan participants;
 - former employees, such as certain retired and terminated employees who have a vested right to plan benefits; or
 - beneficiaries of deceased former employees who are receiving benefits or are entitled to receive future plan benefits.

The IRS uses the plan's most recently filed Form 5500-series return to determine the number of plan participants.

How do I request a copy?

Your written request for a copy of the application should:

1. State you're making the request under Internal Revenue Code Section 6104.
2. Identify the name, address, Employer Identification Number (EIN) of the organization and the plan number (if known).
3. Identify the documents you're requesting (for example, a copy of the plan, amendments or the complete application filed on a certain date).
4. Include your name, address, telephone number and relationship to the plan.
5. Indicate if you'd like to be notified in advance if the fees (see below for costs) for your request exceed a certain amount so you can modify or withdraw your request, and avoid additional correspondence and delay.

Mail your written request to:

Internal Revenue Service Customer Service
Tax Exempt & Governmental Entities Division – EP
P.O. Box 2508 Room 4010
Cincinnati, Ohio 45201

What is the cost?

Generally, the cost is 20 cents per page after the first 100 pages. For larger orders, we may also charge \$21.00 per hour research time. The exact cost depends on both the categories of:

- users, and
- services

(Internal Revenue Manual Sections [11.3.5](#) and [11.3.10](#), and Treas. Regs Section [601.702](#))

When can I expect a response?

The average processing time is 60 days. However, we'll contact you if we can't locate the documents or have other problems processing your request.

How do I show I'm a plan participant?

Please provide any information you have showing you're entitled to benefits from the plan, for example a:

- copy of your annual benefits statement
- W-2 showing you're an current participant in the plan

How long does the IRS retain applications?

We're required to maintain applications for 10 years; application packages older than that are securely destroyed (Internal Revenue Manual Section [1.15.24](#) and [Exhibit 1.15.24-1](#)).

Additional resources

- [Determination Letters – Need a Copy or a Correction?](#)
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Internal Controls Protect Your Retirement Plan

Formal review procedures can help you find and prevent mistakes in administering your plan. Mistakes left uncorrected could endanger your plan's tax-favored status.

What are internal controls?

Internal controls are business processes designed to detect and prevent mistakes in your retirement plan.

Internal controls should include procedures for:

1. **Plan operations review** - verify that you operate your plan according to its written terms
2. **Plan document updates** - meet with your benefits professional to see if the plan document needs updating for:
 - law changes
 - changes in plan operations

The exact procedures will depend on your organization, your [plan type](#) and its features.

Plan operations review

Periodically review your plan operations to ensure that you're following the terms of your written plan.

- Were loans and distributions made according to your plan rules?
- Were all [eligible employees](#) timely included in your plan?

See the [policies, procedures and internal controls self-audit](#) for sample questions to help you review your plan operations.

Regular review enables you to quickly detect and correct any mistakes.

Plan document updates

A few months before your next plan year begins, check with your benefits advisor to see if you must amend your plan to reflect law changes or operational changes you want to make.

Learn more:

- [Update a plan](#)

Examples of internal control procedures

- Compare salary deferral election forms with the amounts deducted from employees' wages
- Verify the types of compensation used for allocations, deferrals and testing
- Check that plan service providers received accurate compensation and ownership records
- Monitor annual contribution and compensation [limits](#)
- [Verify the validity of rollover contributions](#) to the plan
- Verify that years of service were accurately determined for eligibility and vesting
- Verify marital status and spousal consent for plan distributions
- Ensure participants received required minimum distributions

Additional resources

- [A Plan Sponsor's Responsibilities](#) – tips to keep your plan running smoothly.
 - [A Guide to Common Qualified Plan Requirements](#)
 - [Correct your retirement plan errors](#)
 - [Internal controls phone forum presentation](#)
 - [Internal controls are essential in retirement plans](#) – common mistakes in internal controls
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Policies, Procedures and Internal Controls Self-Audit

Policies and procedures are the steps followed to operate a retirement plan – for example, the enrollment process for new participants. Documenting your policies and procedures is very important to ensure consistent operations. Also, you must routinely follow established policies and procedures to be eligible to [self-correct](#) many plan errors under the [IRS plan correction programs](#).

[Internal controls](#) are policies and procedures designed to help you detect and prevent errors. Strong internal controls are important to provide a reasonable level of assurance that your plan is operating properly.

These questions are designed to help you document and evaluate your plan's policies, procedures and internal controls.

Plan service providers

- Who is the plan trustee?
- Who is the plan administrator?
- Who are the plan's outside service providers?

Employee eligibility

- Who determines when an employee is eligible to participate in the plan?
- What steps does this person take to determine if an employee is eligible to participate?
- How does this person track the amount of service an employee has completed?
- How is an employee's date of birth verified?
- Who is responsible for maintaining personnel records?
- How is information from personnel records shared with the plan administrator?
- What steps are taken to notify employees they are eligible to participate in the plan?

Contributions

- What steps does an employee take to elect to defer money or make a change to a previous election?
- Is payroll done by an outside service provider or in-house?
 - If payroll is done by an outside service provider:
 - Who is the outside service provider?
 - How is information shared with the outside service?

- How does the plan administrator share payroll data with the outside service provider?
- Who reviews the outside service provider's work to ensure that it's accurate?
- If payroll is done in-house:
 - Who is responsible for preparing payroll?
 - Who reviews payroll to ensure that it's accurate?
 - How is payroll data shared with the plan administrator?
- What is your plan's definition of compensation?
- Who determines the participants' compensation based on the payroll information?
- Who verifies that participants' compensation used for plan purposes matches the plan definition of compensation?
- How are employee deferrals remitted to the trust holding participant accounts?
- Who verifies that the correct amount was remitted to the trust and allocated to the correct participant accounts?
- How are matching and nonelective contribution amounts determined?
- Who ensures that each participant received the correct allocation of matching and nonelective contributions?

Plan distributions

- How are plan loan applications reviewed and approved?
- How are requests for hardship distributions reviewed and approved?
- How does a participant request a distribution from the plan?
- Who reviews and approves distribution requests?
- Who determines a participant's vested percentage when a distribution is made?
- How does the money get from the plan trust to the participant?
- Who is responsible for completing and filing Form 1099-R?

Plan testing and administration

- Who makes sure the plan document is updated timely?
- Who completes the annual testing for the plan?
- Who determines which participants are highly compensated employees?
- Who reviews the annual testing to ensure that the correct data was used?
- Who determines which participants are key employees?
- Who determines if there are any related employers that could cause a controlled group or an affiliated service group to exist?
- Who reconciles the trust statements to ensure their accuracy?
- Who completes the Form 5500 for the plan?
- Who is responsible for distributing notices to participants?
- How are notices distributed to participants?
- What is the process for correcting errors that are discovered in the plan document or operation?

Additional resources

- [Internal controls Protect Your Retirement Plan](#)
 - [Correcting Plan Errors](#)
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Monitoring Retirement Plan Service Provider Reports

The plan sponsor/employer is ultimately responsible for ensuring that its retirement plan complies with the law in both form and operation. Accordingly, the plan sponsor should:

- communicate frequently with the plan's service provider to ensure that all relevant data is provided timely and accurately,
- review the plan document annually to ensure the plan is operating according to its terms,
- make the service provider and other relevant parties aware of any changes to the plan right away, and
- develop a communication mechanism for exchanging information with the service provider.

The service provider should also timely communicate with the plan sponsor to confirm the data is current, accurate and complete.

What does the employer need to provide to the service provider?

The employer needs to give the service provider accurate information regarding the retirement plan. It's important to share any changes made by plan amendments or restatements. For example, if the plan's definition of compensation is changed, the employer should communicate this amendment to the service provider and the people determining deferral amounts, performing nondiscrimination tests or allocating contributions. The employer also needs to provide the payroll information that relates to the compensation definitions in the plan document. The service provider can't deliver the correct reports if they don't have accurate participant compensation amounts. Using incorrect compensation for a participant can affect many plan operations and correcting these errors can be costly.

What are some reports plan sponsors may receive and how could they be used?

The service provider and employer should meet and discuss the reports needed for the plan. The plan sponsor should communicate with the service provider to discuss these reports. The service provider may deliver reports on:

Contributions. Plan sponsors should have procedures in place to spot check plan provisions in operation, such as confirming that compensation and deferral limits are not exceeded.

Participant loans. This report shows outstanding participant loans and whether loan payments are current and lists loans in default. The plan sponsor would have to take

action on any loans in default. The employer should also spot check new loans to ensure the participant's account balance was adequate to support the loan and the payroll deduction repayments commenced timely.

Hardship withdrawals. Employers should use this report to verify they have the necessary documentation to support the withdrawals in the plan records. Sometimes the service provider handles the hardship withdrawals. In these situations, the plan sponsor should periodically ask the service provider for copies of the hardship withdrawal documentation. The plan sponsor should also use this report to monitor payroll systems to ensure the employee who took a hardship withdrawal doesn't make elective deferrals for six months.

Required minimum distributions. Employers should receive a report from their service provider indicating the participants approaching their required beginning date for commencement of required minimum distributions.

What about updates to the plan document – what, if anything, does the plan sponsor need to do?

I would suggest the plan sponsor establish a practice of contacting their plan document provider to determine if any plan amendments are required. This contact should take place 2-3 months before the end of the plan year. To avoid mistakes, make sure the plan document and Summary Plan Description match.

What should plan sponsors do if they find an error?

Plan sponsors should alert their service provider of the error and may be able to use the Employee Plans Compliance Resolution System ([EPCRS](#)) to correct the error.

Mark Your Calendar

Here are some important dates in the upcoming months. Most of the deadlines are for calendar-year plans; non-calendar-year plans must adjust the dates.

July 15: make second quarter contributions to 2014 calendar-year defined benefit plans.

July 31: File:

- Form 5500, *Annual Return/Report of Employee Benefit Plan*;
- Form 5500-SF, *Short Form Annual Return/Report of Small Benefit Plan*; or
- Form 5500-EZ, *Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan*.
- Form 8955-SSA, *Annual Registration Statement Identifying Separated Participants with Deferred Vested Benefits*.

- Form 5558, *Application for Extension of Time To File Certain Employee Plan Returns*, for a 2½ month extension for any of the above forms.

September 15:

- make deductible contributions for 2013 if you file Form 1120 or 1120S and have an extension of your March 17, 2014, filing deadline.
- establish a SEP plan for 2013 if you file Form 1120 or 1120S and have an extension of your March 17, 2014, filing deadline.
- make final required minimum contributions for 2013 calendar-year money purchase and defined benefit plans for funding.
- elect (or change a standing election) for single-employer defined benefit plans to:
 - use funding balances to offset the minimum required contribution for the 2013 plan year,
 - credit excess contributions for the 2013 plan year to the plan's prefunding balance, and
 - revoke a previous election to use a funding balance to offset the minimum required contribution for the 2013 plan year, to the extent the election exceeded the full minimum required contribution for the year (only for plans with valuation dates that aren't the first day of the plan year).

September 30: obtain AFTAP certification from the plan's enrolled actuary to avoid triggering benefit restrictions under Internal Revenue Code Section 436 through at least the end of 2014 if you sponsor a single-employer defined benefit plan.

DOL Corner

The Department of Labor's Employee Benefits Security Administration (DOL/EBSA) announced new guidance as featured below. You can subscribe to [DOL/EBSA's](#) home page for updates

Fee Disclosure Guide

On March 12, the Department of Labor's Employee Benefits Security Administration (DOL/EBSA) issued a [proposed rule](#) that would require pension plan service providers to furnish employers and other plan fiduciaries with a guide to assist them in navigating fee disclosure requirements.

In 2012, DOL/EBSA published a final rule requiring companies that provide certain services to employer-sponsored 401(k) plans to furnish detailed information about their services and the compensation they'll receive, including payments from third parties. The rule allows such companies to use existing contracts and other documents to provide this information to plan fiduciaries. DOL/EBSA has found that the fee information is often contained in lengthy contract documents, or spread across multiple documents.

The proposed rule would amend the 2012 rule to require that covered service providers furnish a guide if disclosures are made using multiple or lengthy documents. The guide must specifically identify the document, page or other specific locator, such as a section, that allows the employer to quickly and easily find fee information.

The notice also references a DOL/EBSA announcement to conduct focus group sessions with fiduciaries to pension plans with fewer than 100 participants. This focus group testing explores current practices and effects of the 2012 fee disclosure rule. The focus groups will provide additional information about the need for the proposal and what disclosure formats may be most useful to plan fiduciaries.

See the [fact sheet](#) for more information.

Outreach and education

For notice of upcoming events as they are scheduled, subscribe to [DOL/EBSA's](#) website home page. DOL/EBSA conducts seminars for small businesses on retirement plans and health benefits plans.