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**LIST OF SUBSTANTIVE CHANGES AND ADDITIONS**

***PPC's 5500 Deskbook***

**Thirtieth Edition (February 2021)**

**Highlights of this Edition**

The following are some of the important new features of the 2021 Edition of *PPC's 5500 Deskbook*:

- **Form 5500 Changes.** A number of changes have been made to the 2020 Form 5500 and its accompanying schedules. Detailed discussion of these changes is included in this edition.
- **Form 5500-EZ Electronic Filing.** Effective for 2020 plan year filings, one-participant plans and foreign plans can file the Form 5500-EZ electronically using the EFAST2 filing system.
- **Form 5500-SF Eligibility.** Effective for 2020 plan year filings, the Form 5500-SF can no longer be used by a one-participant plan or a foreign plan in place of filing of the Form 5500-EZ with the IRS.

In addition to these featured items, your *Deskbook* includes the following update items detailed below.

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 1 Filing Requirements	<ol style="list-style-type: none"> <li>1. Effective for 2020 plan year filings, the Form 5500-SF can no longer be used by a one-participant plan or a foreign plan in place of filing of the Form 5500-EZ with the IRS. Discussion of this change is added in this edition.</li> <li>2. Effective for 2020 plan year filings, one-participant plans and foreign plans can file the Form 5500-EZ electronically using the EFAST2 filing system.</li> </ol>	<p>Key Issue 1C</p> <p>Key Issue 1N</p>
CHAPTER 8 Schedules G, H, and I Financial Information	<ol style="list-style-type: none"> <li>1. The instructions for Schedule H, Part III (Accountant's Opinion) have been updated in response to a new auditing standard (SAS 136). Line 3b of Schedule H has been revised to add check boxes to indicate whether the audit was limited pursuant to certain DOL regulations. Discussion of how to complete revised line 3b has been added in this edition.</li> <li>2. The instructions for line 4l of Schedules H and I have been revised for the increase in the required minimum distribution age from 70½ to 72 to conform to the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act). Discussion of this change has been added in this edition.</li> </ol>	<p>Key Issue 8G</p> <p>Key Issue 8H</p>

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 10 Schedule R, Retirement Plan Information	1. Line 14 of Schedule R has been revised to provide multiemployer plans with a choice of three counting methods to count inactive participants and to require that an attachment be provided depending on the counting method chosen. This edition discusses how to complete revised line 14 of Schedule R.	Key Issue 10H
CHAPTER 12 Form 5500-EZ and Form 5500-SF	1. Effective for 2020 plan year filings, the Form 5500-SF can no longer be used by a one-participant plan or a foreign plan in place of filing of the Form 5500-EZ with the IRS. Discussion of this change is added in this edition.	Key Issues 12C and 12F
	2. Effective for 2020 plan year filings, one-participant plans and foreign plans can file the Form 5500-EZ electronically using the EFAST2 filing system. Discussion of this change is added in this edition.	Key Issue 12C
	3. The instructions for Form 5500-SF line 10f have been revised to increase the required minimum distribution age from 70½ to 72 to conform to the SECURE Act. Discussion of this change has been added in this edition.	Key Issue 12G
CHAPTER 13 Other Reporting and Disclosure Requirements	1. The DOL issued final regulations in May 2020 that relate to a new electronic disclosure safe harbor for furnishing pension plan information and disclosures to participants, beneficiaries, and alternative payees. Discussion of the final regulations is included in this edition.	Key Issue 13G
CHAPTER 14 Annual Retirement Plan Compliance Checkup	1. The IRS' Employee Plans Compliance Unit (EPCU) serves to assist qualified plans in staying compliant. This edition has been updated for the current projects that the EPCU is working on.	Key Issue 14B
CHAPTER 15 Nondiscrimination Requirements	1. The SECURE Act added an additional method to correct an ADP Test failure. Discussion of this correction method has been added to this edition.	Key Issue 15L
	2. The SECURE Act eliminates the participant notice requirement for nonelective 401(k) safe harbor plans. The SECURE Act also allows these plans to be amended as late as 30 days before the end of a plan year to provide for a 3% nonelective contribution safe harbor for the plan year. This edition has been updated with the changes to the requirements for safe harbor 401(k) plans.	Key Issue 15O
CHAPTER 17 Fiduciary Matters and Prohibited Transactions	1. The DOL continues to be concerned about lost participants. The DOL recently issued three new pieces of guidance to assist employers in looking for and making distributions to lost participants. The guidance is discussed in this edition.	Key Issue 17C
	2. The DOL has issued a final interim rule to assist employers in calculating and reporting the lifetime income projections required by the SECURE Act. The final interim rule is discussed in this edition.	Key Issue 17C

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 18 Plan Qualifications and Modifications	1. The IRS announced that user fees for determination letter applications will increase effective January 4, 2021. The new determination letter application user fee amounts are included in this edition.	Key Issue 18A
	2. The IRS annually publishes a Required Amendments List for individually designed plans. Each annual list includes statutory and administrative changes in qualification requirements that are first effective during the plan year in which the list is published. This edition discusses the 2018, 2019 and 2020 Required Amendments List, along with the date that the remedial amendment period expires for changes contained on each of the lists.	Key Issue 18B
CHAPTER 19 Age and Service Rules and Vesting Standards	1. For plan years beginning after 2020, the SECURE Act requires that plans allow long-term, part-time employees the ability to participate in a 401(k) plan and make 401(k) deferrals. Discussion of this new rule that applies to long-term, part-time employees has been included in this edition.	Key Issue 19B
CHAPTER 20 Plan Distributions	1. The Taxpayer Certainty and Disaster Tax Relief Act of 2020 (TCDTR) was enacted in December 2020 to provide additional economic relief due to the COVID-19 pandemic. The Act provides that the 10% early distribution penalty doesn't apply to qualified disaster distributions from an eligible retirement plan. An alert has been added in this edition to discuss this law change.	Key Issue 20A
	2. The IRS published final regulations modifying the tables used to compute required minimum distributions. Discussion of the revised tables and the effective date have been added in this edition.	Key Issue 20B
CHAPTER 21 Avoiding Penalties	1. The maximum penalty for a plan sponsor who fails or refuses to file a complete or accurate Form 5500 timely, has increased effective January 16, 2021, from \$2,233 per day to \$2,259 per day. The ERISA penalty amounts for 2021, for the failure to file Form 5500 and other ERISA violations, are reflected in this edition.	Key Issue 21A and QRB T301

