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LIST OF SUBSTANTIVE CHANGES AND ADDITIONS

PPC's 5500 Deskbook

Thirty-first Edition (February 2022)

Highlights of this Edition

The following are some of the important new features of the 2022 Edition of *PPC's 5500 Deskbook*:

- **Form 5500 Changes.** A number of changes have been made to the 2021 Form 5500 and its accompanying schedules. Detailed discussion of these changes is included in this edition.
- **Proposed 2022 Form 5500 Changes.** In September 2021, the DOL, IRS, and PBGC jointly proposed changes to the Form 5500 series. The changes primarily reflect amendments to the Code and ERISA made by the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act). Discussion of the proposed changes to the 2022 Form 5500 has been added in this edition.
- **Multiple-Employer Plan Participating Employer Information Attachment.** The 2021 Form 5500 instructions have been revised to implement a SECURE Act requirement by requiring multiple-employer defined contribution plans to report aggregate account balance information by each employer on the Multiple-Employer Plan Participating Employer Information attachment. The format of the Multiple-Employer Plan Participating Employer Information attachment has been added in new Statement S112. A discussion of this change is included in this edition.
- **Employee Plans Compliance Resolution System (EPCRS).** The IRS recently issued a revenue procedure which modifies the Employee Plans Compliance Resolution System (EPCRS). The updated EPCRS makes several changes, which include (1) the extension of the Self-Correction Program (SCP) correction period for significant failures, (2) expansion of corrections by plan amendment for operational failures under SCP, and (3) expansion of flexibility in the recoupment of overpayments. The changes to EPCRS are discussed in this edition.

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	1. In September 2021, the DOL, IRS, and PBGC jointly proposed changes to the Form 5500 series. The changes primarily reflect amendments to the Code and ERISA made by the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act). Discussion of the proposed changes to the 2022 Form 5500 has been added in this edition.	Key Issue 1A

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 3 Form 5500, Annual Return/Report of Employee Benefit Plan	<ol style="list-style-type: none"> 2. Effective January 1, 2021, one-participant and foreign plans can file original filings through EFAST2 using the Form 5500-EZ. A table has been added in this edition that provides instructions on how to amend a one-participant plan or foreign plan that filed Form 5500-EZ/5500-SF electronically. 1. A new checkbox has been added to Form 5500 for a plan sponsor that adopted a pension benefit plan in the 2021 plan year and treated the plan as being adopted and effective in the 2020 plan year pursuant to SECURE Act Section 201. Discussion of this change to the 2021 Form 5500 has been added in this edition. 	Key Issue 1M Key Issue 3A
	<ol style="list-style-type: none"> 2. The 2021 Form 5500 instructions have been revised to implement a SECURE Act requirement by requiring multiple-employer defined contribution plans to report aggregate account balance information by each employer on the Multiple-Employer Plan Participating Employer Information attachment. The format of the Multiple-Employer Plan Participating Employer Information attachment has been added in new Statement S112. A discussion of this change has been added in this edition. 	Key Issue 3A and QRB S112
CHAPTER 12 Form 5500-EZ and Form 5500-SF	<ol style="list-style-type: none"> 1. Boxes have been added in Line B of the 2021 Form 5500-EZ in which a filer can indicate whether the Form 5500-EZ was extended using Form 5558, the automatic extension or special extension. Previously Line B had only one box, by which a filer could indicate if the filing was under an extension. Discussion of this change has been added in this edition. 2. A new checkbox has been added to Form 5500-EZ for a plan sponsor that adopted a pension benefit plan in the 2021 plan year and treated the plan as being adopted and effective in the 2020 plan year pursuant to SECURE Act Section 201. Discussion of this change to the 2021 Form 5500-EZ has been added in this edition. 3. A new checkbox has been added to Form 5500-SF for a plan sponsor that adopted a pension benefit plan in the 2021 plan year and treated the plan as being adopted and effective in the 2020 plan year pursuant to SECURE Act Section 201. Discussion of this change to the 2021 Form 5500-SF has been added in this edition. 	Key Issue 12D Key Issue 12D Key Issue 12G

<u>Chapter</u>	<u>Substantive Changes and Additions</u>	<u>Reference</u>
CHAPTER 14 Annual Retirement Plan Compliance Checkup	4. The 2021 Form 5500-SF instructions have been revised to implement a SECURE Act requirement by requiring multiple-employer defined contribution plans to report aggregate account balance information by each employer on the Multiple-Employer Plan Participating Employer Information attachment. The format of the Multiple-Employer Plan Participating Employer Information attachment has been added in new Statement S112. A discussion of this change has been added in this edition.	Key Issue 12G and QRB S112
CHAPTER 17 Fiduciary Matters and Prohibited Transactions	1. The IRS Employee Plans (EP) Examinations function is responsible for overseeing the compliance of retirement plans with the provisions of the Internal Revenue Code, which includes protecting plan assets for the benefit of participants. This edition has been updated for the current top IRS priorities for examinations and enforcement in the retirement plan community.	Key Issue 14A
CHAPTER 18 Plan Qualifications and Modifications	1. Cybersecurity has become a very important consideration in running a retirement plan. Many new claims have arisen based on alleged absence of controls designed to protect participant accounts and data. The DOL has issued three tips and best practice handouts aimed at plan sponsors, service providers, and plan participants. Discussion on the fiduciary duties regarding cybersecurity has been added in this edition.	Key Issue 17C
CHAPTER 21 Avoiding Penalties	1. 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 2019, 2020, and 2021 Required Amendments List, along with the date that the remedial amendment period expires for changes contained on each of the lists.	Key Issue 18B
	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, 2022, from \$2,259 per day to \$2,400 per day. The ERISA penalty amounts for 2022, for the failure to file Form 5500 and other ERISA violations, are reflected in this edition.	Key Issue 21A and QRB T301

Chapter
CHAPTER 22
Correcting Plan
Failures

Substantive Changes and Additions

1. The IRS recently issued a revenue procedure which modifies the Employee Plans Compliance Resolution System (EPCRS). The updated EPCRS makes several changes, which include (1) the extension of the Self-Correction Program (SCP) correction period for significant failures, (2) expansion of corrections by plan amendment for operational failures under SCP, and (3) expansion of flexibility in the recoupment of overpayments. The changes to EPCRS are discussed in this edition.

Reference

Key Issue 22D