



*Indiana Benefits, Inc.*

Peter Gould  
Indiana Benefits, Inc.  
[www.indianabenefits.com](http://www.indianabenefits.com)

IRS recently filed proposed 2016 Form 5500 series changes with OMB. I'm asking you to read this article and if it piques your interest or elevates your blood pressure, consider it an invitation to join this fracas at OMB. Here's a little background on this:

### **What are the 2016 IRS Form 5500 changes and why should I even care about them?**

IRS has proposed adding a number of new compliance questions to the 5500 series forms. Many of these will require the collection and manipulation of data never before needed to complete Form 5500 (or not required since before 2005). In addition, some items that are currently optional (such as paid preparer information and trustee information) will become mandatory. Also notable is that DOL has just begun the process of updating and increasing their 5500 reporting requirements -- we refer to it as EFAST3, while DOL has labeled it the "21st Century Initiative" -- probably effective for 2019 plan years. Here are links to the IRS ([http://www.reginfo.gov/public/do/PRAViewICR?ref\\_nbr=201606-1545-031](http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201606-1545-031)) and DOL ([http://www.reginfo.gov/public/do/PRAViewICR?ref\\_nbr=201604-1210-001](http://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=201604-1210-001)) OMB filings if you really want to dig in.

### **How will this affect my business?**

The 2016 IRS changes could affect your business in 3 ways - all of which will cost YOU money and time:

1. Your client list will become available to anyone
2. You'll likely need to retool your processes, workflow, annual plan information request and staffing to capture and manipulate the additional data required for Form 5500 for 2016
3. You'll have to retool again when the DOL changes are unleashed upon us for 2019

### **What is ASPPA doing about this?**

ASPPA's Government Affairs Committee and other parties (including this loose cannon) have been following, commenting and advocating on behalf of plan sponsors, practitioners and plan participants (who will ultimately bear the cost of all of these "enhancements"). We were successful in derailing these changes for the 2015 Form 5500 series, but only by taking it to the 11th inning at OMB. Ideally, IRS would involve us and other stakeholders in the development stage, so that proposed changes would reflect the current state of the industry and how plans are serviced in this century. Unfortunately, IRS has adopted a closed-minded stance on this issues as well as many others (i.e. death of ERPA, killing document reliance). In the case of Form 5500 issues, it seems that the only real forum for stakeholder voices is at OMB. This is a sad state of affairs, but we certainly didn't choose this path.

I think that our best bet at this point is to have all changes (the current IRS proposals, as well as the upcoming DOL proposals) rolled into a single project that can be negotiated and improved for a thoughtful rollout for the 2019 year. If we can get the whole thing put on the same timeline, we'll have a better chance for a dialogue with regulators on specific issues (paid preparer disclosure, etc.). It's likely that ASPPA will be commenting on this matter, but it will take more than a couple of letters from industry groups to move the needle.

### **What can I do?**

Send a comment letter to OMB. **THE DEADLINE FOR COMMENTS IS THIS COMING MONDAY, 8/1/2016!** You might agree with the above approach or you might advocate a different approach - either way, if you care at all, please submit a comment letter. Follow this link - <http://www.indianabenefits.com/2016 IRS 5500-SUP SAMPLE COMMENT LETTER.docx> - to a sample comment letter that you can tweak, radically alter and then paste onto your letterhead and email to OMB and IRS. OMB takes comments very seriously -- especially well-crafted and reasoned ones. Their primary concern is BURDEN -- so if your message focuses on burden and cost/benefit it will probably resonate with them.

Thanks for your help with this. Please feel free to pass this information on to other stakeholders who might be interested in commenting.