



PENSION
PLAN
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INC

EFAST2 FAQs



**The pieces are
coming together...**

Updated 11/13/2009

The Department of Labor (DOL) is changing the way Retirement Plans file their Annual Returns. Starting January 1, 2010, electronic filing of Form 5500 via the internet will be required. This new program is referred to as EFAST2. The EFAST2 program continues to develop and PPS is addressing the issues and procedures we need to familiarize ourselves with to make the transition to electronic filing. We will continue to monitor the changes and will update this FAQ as they become available, so please check back often. Formal communication will be sent to all individuals when the procedures have been finalized.

General Questions

Who will prepare my Form 5500? Pension Plan Services, Inc. will continue to prepare Form 5500 and will assist with all instructions for completing the electronic filing.

Who is affected by the new filing requirements? All retirement plans, except those filing Form 5500-EZ, with plan years beginning January 1, 2009, or later, will be required to file electronically. "One-participant" plans that are eligible to file Form 5500-EZ have the *option* to file the new short form, 5500-SF, electronically, or they can continue to filing Form 5500-EZ on paper.

What is the Form 5500-SF? The Form 5500-SF is the new short form for certain plans with fewer than 100 participants at the beginning of the plan year. These plans may utilize the 5500-SF if they also meet these requirements:

- Are eligible for the audit waiver
- Do not include any employer securities
- Have assets that are 100% invested in investments with a readily ascertainable value.

What if my Plan has greater than 100 participants? Plans with greater than 100 participants will still file the Form 5500 and related schedules. The related schedules will be revised to include several new questions as well as a more detailed Schedule C. The Schedule C will now require large plans to provide more disclosure regarding fees paid to plan service providers. PPS and your investment provider will be instrumental in answering the new questions.

How does the Large Plan Auditor's Report get filed? The Auditor's Report will need to be on letterhead, signed and then saved as a PDF file. That PDF file must be attached to the Form 5500 when submitted.

Are there any Forms that cannot be file electronically? Yes. Besides the 5500-EZ, Form 5558 (Extension of Time for Filing) and Schedule SSA cannot be submitted electronically.

When does electronic filing of Form 5500 take effect? Starting January 1, 2010, the DOL expects to begin receiving electronic returns. This includes:

- All pension plans, welfare plans and direct filing entities (DFEs) subject to ERISA for plan years commencing on or after January 1, 2009.
- Delinquent or amended Form 5500s for prior years.
- Short 2009 plan year who's filing deadline is *after* January 1, 2010, must file electronically and is not eligible for the automatic extension.

Are there alternatives available for returns with deadlines before January 1, 2010? Yes. Returns with deadlines before January 1, 2010, can still take advantage of the electronic filing. The DOL has approved options for certain acceptable situations:

- Short 2009 plan years whose filing deadline is *before* January 1, 2010 have two options:
 - The plan can take advantage of an automatic extension and then file electronically.
 - The plan may file a 5500 using 2008 paper forms by normal deadline.
- A 2008 return that is due after December 31, 2009, has three filing options:
 - File electronically under EFAST2.
 - File electronically using EFAST approved software until June 30, 2010.
 - File using 2008 paper forms until October 15, 2010.

Filing Form 5500

How do I electronically file my Form 5500? PPS will continue to prepare and file the Form 5500 for you; the difference will be in how the Form is signed. In order to sign the Form 5500 each signor will need "signing credentials" from the DOL.

How do I obtain "signing credentials"? Signing credentials will be obtained from the DOL website; this designation is called a "Filing Signer". Once on the website you will be asked to enter certain personal information. You will then receive an email with a link to a Web site where you receive the credentials (signer ID and PIN code). PPS will supply detailed directions to each signer on how to obtain signing credentials when the instructions are finalized.

Are other electronic credentials required? Yes. There are five types of electronic credentials that an individual may register for:

- Filing Author – Can complete Form 5500/5500-SF and accompanying schedules, submit the filing, and check filing status. Filing authors cannot sign filings unless they also have the "Filing Signer" role.
- **Filing Signer** – Can sign Form 5500/5500-SF. Signers must ensure that the filing information is correct prior to submission. The signer's signature indicates that to the best of the signer's knowledge and belief the filing is true, correct, and complete.
- Schedule Author – Can complete one or more of the schedules that accompany Form 5500/5500-SF. Schedules created by a Schedule Author are not associated with a filing. Schedule Authors cannot initiate, sign or submit a filing.
- Transmitter – Can transmit Form 5500/5500-SF filings to the EFAST2 system for processing on behalf of others. Transmitters are responsible for the security of all filing information prior to and during its transmission.
- Third Party Software Developer – Makes Form 5500 filing preparation or transmission software for use in the EFAST2 system.

May PPS obtain filing signer credentials on behalf of my Plan? No. The DOL has strict rules against sharing filing credentials. Their stance is that the Plan Administrator must examine the Form 5500 before it is submitted and the only way to attest that has been done is by using the signing credentials.

To obtain filing signer credentials, will the individual need to obtain an email address? Yes. Each individual will need to obtain an email address to complete the filing signer credentials. If you currently do not have an email address, the DOL suggests using a free email sponsor, i.e. gmail, hotmail, etc.

What if I do not have a computer in-house? The DOL suggests using a public computer to access the DOLs website for signing credentials.