

# Important Approaching Deadlines

Please make note of these important approaching deadlines for calendar year plans:

## September 15, 2016:

- **8 ½ months after plan year-end:** For employers who filed corporate income tax extensions, the corporate tax filing due date and deadline for making deductible contributions for 2015.

## September 30, 2016:

- **9 months after plan year-end:** Deadline to distribute the 2015 Summary Annual Report (SAR) unless the Form 5500 filing was extended.

## October 14, 2016:

- **9 ½ months after plan year-end:** Deadline to correct a 2015 coverage test failure.

## October 17, 2016:

- **9 ½ months after plan year-end:** 2015 Form 5500, Form 5500-SF and Form 8955-SSA filing deadline if the deadline was extended by Form 5558.

## November 15, 2016:

- **45 days prior to 12 month deadline to complete testing:** Deadline for employer to submit census data to ensure completion of 2015 actual deferral percentage and actual contribution percentage testing before December 31, 2016.

If your plan year begins on a date other than January 1, please make adjustments to the dates to coincide with your plan year. Not all deadlines are based on the plan year. Examples of deadlines not based on the plan year include return of excess deferrals (April 15), required minimum distributions (April 1) and Form 5330 filing for prohibited transactions (last day of the 7th month after the end of the tax year of the employer or other person who must file the Form 5330). Under Internal Revenue Code section 7503, when a deadline falls on a weekend (i.e., Saturday or Sunday) or a legal holiday, the performance of such acts shall be considered timely if completed the next business day. However, corrective distributions should be processed the day before the weekend or legal holiday.

# File Your Form 5500 and Form 8955-SSA Early

**Don't wait until your filing deadline to access the Department of Labor's (DOL's) ERISA Filing Acceptance System (EFAST2) to file your Form 5500 series return and/or the Internal Revenue Service's (IRS') Filing Information Returns Electronically (FIRE) system to file your Form 8955-SSA (if applicable).**

The main contact for your plan will receive an email from [5500Forms.RS@OneAmerica.com](mailto:5500Forms.RS@OneAmerica.com) that indicates that the Form 5500 is ready to view and file. We have filed a Form 5558, Application for Extension of Time To File Certain Employee Plan Returns and checked Box D on the Form 5500 and Box C on both the Form 5500-SF and Form 8955-SSA (if applicable) to indicate the extended deadline. You can take advantage of the extended Form 5500 filing deadline of October 17, 2016; however, we recommend that calendar year plans file before October 1st.

Increased traffic to these websites on the deadline often results in delays and possible system downtime and increases your risk of submitting your filing and forms late. Failure to file timely subjects you to penalties including:

- The IRS penalty for late filing of a Form 5500 series return is \$25 per day, up to a maximum of \$15,000.
- The DOL penalty for late filing of a Form 5500 series return can be up to \$1,100 per day, with no maximum. Penalties assessed after August 1, 2016, can be up to \$2,063 per day.
- The IRS penalty for late filing of a Form 8955-SSA includes:
  - \$1 for each participant not reported and 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.

Correction of a late filed Form 5500 or 5500-SF filing is available under the DOL's Delinquent Filer Voluntary Correction Program. Cost for filing is:

- Small Plan Filers (i.e., plans with fewer than 100 participants at the beginning of the plan year) - Applicable penalty amount is \$10 per day for each day the Form 5500 or Form 5500-SF is filed after the due date not to exceed \$750.
- Large Plan Filers (i.e., plans with 100 or more participants at the beginning of the plan year) - Applicable penalty amount is \$10 per day for each day the Form 5500 or Form 5500-SF is filed not to exceed \$2,000.

# Form 5500 and Form 8955-SSA Filing Reminder for Calendar Year Plans

**If you didn't file your Form 5500 filing and Form 8955-SSA (if applicable) by August 1, 2016, the extended due date is October 17, 2016. There are several things you should be thinking about now to ensure you are prepared to file by the deadline.**

As a reminder, if we provide Form 5500 series return services for your plan, we filed a Form 5558, Application for Extension of Time to File Certain Employee Plan Returns, and marked Box D on the Form 5500 and Box C on both the Form 5500-SF and Form 8955-SSA (if applicable) to indicate that the deadline has been extended by filing Form 5558.

## *Consider the following:*

- Have you obtained your credentials to file your Form 5500 or Form 5500-SF electronically?
- Have you remitted all of your contributions for the 2015 plan year?
- Do you have a fidelity bond for your plan?
- If your plan is a large plan (i.e., a plan with 100 or more participants), have you made arrangements for an independent audit of your plan?
- If your plan is a small plan (i.e., a plan with less than 100 participants), does it qualify for the audit exemption under the [Small Pension Plan Audit Waiver Regulation](#)? If not, have you made arrangements for an independent audit of your plan?
- Have you been remitting employee contributions and loan repayments timely? Information about late deposits must be reported and penalties may apply.

## *If we provide Form 5500 series return services for your plan, also consider the following:*

- If your plan transitioned to OneAmerica/McCready during the 2015 plan year, have you provided us with prior Form 5500 filings as well as financial information for the period of time during the plan year that your plan was with your previous recordkeeper? We must receive all information by August 1, 2016, in order to complete your filing timely.
- Have you notified your plan manager of any changes to your address, phone and/or contact information? We will notify you by email when your Form 5500 is complete; therefore, accurate contact information is very important.
- You can take advantage of the extended Form 5500 filing deadline of October 17, 2016; however, we recommend that calendar year plans file before October 1st.

Beginning with the 2015 filing year, we are updating how we present your Form 5500 and related schedules to you. You will receive an email from [5500Forms.RS@OneAmerica.com](mailto:5500Forms.RS@OneAmerica.com) that indicates your Form 5500 is ready to view and file and also includes a revised Important Information filing guide. We trust that you will notice improved efficiency.



The Internal Revenue Service (IRS) added new compliance questions to the 2015 Form 5500. However, these questions were not approved by the Office of Management and Budget. The 2015 filing instructions state responding to these questions is optional for the 2015 plan year. On February 17, 2016, the IRS released an announcement stating the questions should not be completed for the 2015 plan year. See [IRS Compliance Questions on the 2015 Form 5500-Series Returns](#).

# Internal Revenue Service 403(b) Checklist

The Internal Revenue Service website contains a checklist for 403(b) plan sponsors to use as a "quick tool" to help keep their plan in compliance with some of the rules associated with maintaining a 403(b) plan.

The checklist contains the following questions:

1. Is your organization eligible to sponsor a 403(b) plan?
2. Has your organization adopted a written 403(b) plan?
3. Are the plan operations based on the document terms?
4. Have all of the organization's employees been given the opportunity to make a salary deferral to the 403(b) plan?
5. Are total contributions limited to comply with tax law?
6. If an employee makes "15 years of service catch-up" contributions, does the employee have 15 years of full-time service with the same employer?
7. Are elective deferrals, including any catch-up and Roth contributions, within the limits of the tax law?
8. If your 403(b) plan offers a 5-year post severance provision, are amounts contributed through a non-elective method?
9. Are you and your 403(b) vendors enforcing participant loan repayments and limiting aggregate loan amounts?
10. Are you and your 403(b) vendors requiring evidence that hardship distributions meet the plan hardship definition and requirements?

Answering "No" may mean that you have a mistake in the operation of your plan; however, the IRS cautions that answering "Yes" to all questions does not mean that your plan is without error.

On the online version of this checklist, click on "(More)" in any of the questions for additional information (including examples) on how to find, fix and avoid each mistake.

Please see [403\(b\) Plan Checklist](#) to review the checklist and supporting information.

*September 2016*

# Reporting Defaulted Loans

One of the responsibilities of sponsoring a plan that allows loans is to report loans that are in default.

*Examples of when a loan is considered to be in default include, but are not limited to:*

- Failure to make payment by the end of the repayment grace period.
- Failure to maintain an automatic after-tax payroll deduction repayment arrangement, except for approved leaves of absence provided a leave of absence for reasons other than military service does not last longer than one year and the borrower is either without pay or is being paid at a rate of pay less than the amount of the repayment required by the loan during the duration of the leave.
- Termination of employment when the loan is not repaid in full.

After you report a loan default to us, we will:

1. Default the loan and show it as a “deemed distribution” if the terminated participant does not take a distribution.
2. Default the loan and “offset” the distribution for terminated participants who request a lump sum or rollover distribution.
3. Default the loan and show it as a “deemed distribution” for active participants not making loan repayments.

When loans are defaulted, an IRS Form 1099-R is issued to the participant for the balance of the loan including outstanding interest.

Please contact your plan manager if you have any questions.

# Timely Remittance of Employee Contributions

**Plans that are subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA) must satisfy Department of Labor (DOL) requirements regarding the timely remittance of employee deferrals, after-tax contributions and participant loan repayments.**

Most profit sharing, money purchase, 401(k) and 403(b) plans are subject to Title I. There are a few types of plans that are exempt from Title I. These include 457(b) plans, church plans that have not elected to be subject to the minimum eligibility and vesting requirements of ERISA and the Internal Revenue Code, and governmental plans.

The purpose of the DOL regulations regarding the timing of depositing employee contributions (including deferrals) and payroll-deducted loan repayments into a qualified retirement plan trust is to ensure that the funds are being invested in the plans rather than remaining in the employer's general funds.

The DOL regulations contain a safe harbor period for remitting employee contributions and loan repayments for small retirement plans (plans with fewer than 100 participants at the beginning of the plan year). Under this safe harbor period, employee contributions and loan repayments to a small plan will be deemed to have been timely remitted if those amounts are deposited to the plan within seven business days after they were received or withheld by the employer. Of course, sponsors of small retirement plans may make deposits before the end of the seven day period.

The current deposit rules for large retirement plans (plans with 100 or more participants at the beginning of the plan year) state that the employer must transmit employee contributions and loan repayments to retirement plans as soon as they can reasonably be segregated from the general assets of the employer. As a general rule, you should follow the same timeframe for remitting employee contributions that you've established for remitting payroll taxes. For most large employers, remittance should occur no later than three business days. However, if you have demonstrated submission of employee contributions within a shorter period of time than three business days, you should remit employee contributions as quickly as you have done in the past

If the employee plan withholdings are not remitted in a timely fashion, the employer is treated as having engaged in a prohibited transaction with respect to the late remittances and must pay an excise tax. The employer is also responsible for making up lost earnings due to late deposits.

Please view [Timing of Contributions and Department of Labor Rules](#) for additional information.



# Managing Beneficiary Designations

**Life events such as death of a loved one, marriage (including same-gender marriages), divorce, or birth or adoption of children may require a change in beneficiary designations.**

It's a good idea to remind your participants to review their beneficiary designations periodically and make changes to ensure that designations align with their wishes. In addition, before you approve a distribution following the death of a participant, you may want to verify that there are no other parties that may claim rights to the benefit.



# Changes to Your Organization's Structure May Affect Your Retirement Plan

**When an organization is involved in a sale, purchase of or merger with another organization, the impact to their retirement plan is often one of the last considerations.**

If you intend to make changes to your organization, we encourage you to contact your plan manager as soon as possible. We will send a questionnaire to you that will highlight some of the choices related to your plan design which include:

- Coverage and nondiscrimination testing implications
- Contribution considerations
- Eligibility decisions

Your plan may need to be amended, merged with another plan or even terminated. Regardless of what design changes are required, we can help.