

MEMO# 29594

December 23, 2015

IRS Posts FAQs Regarding New Compliance Questions on 2015 Form 5500

[29594]

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TO: PENSION MEMBERS No. 39-15
BANK, TRUST AND RETIREMENT ADVISORY COMMITTEE No. 42-15 RE: IRS POSTS FAQs
REGARDING NEW COMPLIANCE QUESTIONS ON 2015 FORM 5500

The Internal Revenue Service has posted answers to certain frequently asked questions (FAQs) regarding the new tax law compliance questions that will be included on the 2015 Form 5500 series returns. The IRS also announced that responses to the new compliance questions will be optional for the 2015 plan year, although responses are strongly encouraged.

In December 2014, the IRS proposed changes to the plan year 2015 Form 5500 series returns, including a number of new compliance questions intended to appear on a new Form 5500-SUP. [1] Several commenters had expressed concerns about the new compliance questions, relating to the ambiguity of many of the questions and the difficulty of having to answer new questions for the 2015 plan year without enough time to make necessary systems changes. The IRS addresses these concerns with the new FAQs and by making the new questions optional for 2015.

The FAQs explain how to respond to many of the questions appearing on the draft Form 5500-SUP [2] that caused confusion, such as questions about nondiscrimination testing compliance, unrelated business taxable income, in-service distributions, and timing of plan amendments.

The FAQs are available here:

<https://www.irs.gov/Retirement-Plans/Frequently-Asked-Questions-Regarding-the-IRS-Compliance-Questions-on-the-2015-Form-5500-Series>Returns> and an advance informational copy of the 2015 Form 5500 and related instructions is available here:
<http://www.dol.gov/ebsa/5500main.html>.

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endnotes

[1] The Notice and request for comments on the new questions is available here:
<https://www.gpo.gov/fdsys/pkg/FR-2014-12-23/pdf/2014-29939.pdf>.

[2] A draft copy of new Form 5500-SUP is available here:
<https://www.irs.gov/pub/irs-dft/f5500sup--dft.pdf>.

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