

**MEMO# 10578**

December 17, 1998

# **DOL PROPOSED REVISIONS TO REPORTING AND DISCLOSURE REGULATIONS**

1 See Institute Memorandum to Pension Committee No. 40-98 and Pension Operations Advisory Committee No. 25-98, dated June 30, 1998. [10578] December 17, 1998 TO: PENSION COMMITTEE No. 88-98 PENSION OPERATIONS ADVISORY COMMITTEE No. 70-98 RE: DOL PROPOSED REVISIONS TO REPORTING AND DISCLOSURE REGULATIONS

The Department of Labor has issued proposed revisions to its regulations concerning the annual reporting and disclosure requirements under part 1 of Title I of ERISA. For the most part, the proposed changes reflect previously published revisions to the annual return/report forms (Form 5500 series) filed by plan administrators.<sup>1</sup> The revisions to the Form 5500 series include a new Schedule D (DFE/Participating Plan Information), which would be a standardized schedule for filing certain information on relationships between plans and certain "Direct Filing Entities (DFEs)," including common or collective trusts (CCTs). CCTs could elect to file Schedule D, along with Form 5500 and Schedule H (Financial Information), on behalf of their participating plans. A large plan investing in a CCT that filed as a DFE would retain certain limited reporting responsibilities, and would attach Schedule D to the plan's Form 5500. If the CCT did not file a Form 5500 as a DFE, however, a large plan invested in the CCT would have more detailed reporting responsibilities. Such a large plan would be required to break out its percentage interest in the underlying assets of the CCT and report that interest as a dollar value in the appropriate categories (i.e., cash, U.S. government securities, or corporate stock) on the asset and liability statement contained in Schedule H. The proposed amendments include proposed revisions to the rules requiring a schedule of reportable (5%) transactions (line 27d of the current Form 5500) and schedules of assets held for investment (line 27a of the current Form 5500). Under the proposal, plan administrators would no longer need to take into account transactions affected at the affirmative direction of participants or beneficiaries under an individual account plan when completing the schedule of reportable transactions. In addition, the proposal would eliminate the requirement to prepare "historical cost" data with respect to participant-directed assets on the schedules of assets held for investment. Written comments on the proposed regulations are due by February 8, 1999. Russell G. Galer Senior Counsel  
Attachment

should not be considered a substitute for, legal advice.