

ANNUAL REPORTS/NON-FILERS

The IRS and the Department of Labor (DOL) recently announced a joint enforcement effort directed to non-filers of annual reports on Form 5500. At the same time, non-filers are encouraged to voluntarily comply in accordance with the DOL's Delinquent Filer Voluntary Compliance (DFVC) Program, which substantially reduces the monetary penalties that would otherwise apply (for example, the penalty for a "small plan" non-filer is limited under the DFVC to \$750 per annual report with a maximum per plan penalty of \$1,500). In the case of large plans (those with 100 or more participants at the beginning of the plan year), penalties are limited to \$2,000 per annual report and \$4,000 per plan. Any sponsor of a qualified retirement plan or welfare benefit plan (plans providing benefits such as medical, dental, disability, life insurance and the like) that has not previously filed all required annual reports should consider a DFVC submission.

Andrew S. Williams
Aronberg Goldgehn Davis & Garmisa
One IBM Plaza, Suite 3000
Chicago, Illinois 60611
312/755-3145
awilliams@agdglaw.com