

# 2003

## Instructions for Form 5500

### Annual Return/Report of Employee Benefit Plan

Code section references are to the Internal Revenue Code unless otherwise noted.  
ERISA refers to the Employee Retirement Income Security Act of 1974.

## EFAST Processing System

Under the computerized ERISA Filing Acceptance System (EFAST), you can choose between two computer scannable forms to complete and file your 2003 Form 5500: "machine print" and "hand print." Machine print forms are completed using computer software from EFAST approved vendors and can be filed electronically or by mail (including certain private delivery services). Hand print forms may be completed by hand, typewriter or by using computer software from EFAST approved vendors. Hand print forms can be filed by mail (including certain private delivery services); however, they **cannot** be filed electronically. For more information, see the instructions for **How To File** on page 5.

## EFAST Processing Tips

To reduce the possibility of correspondence and penalties, we remind filers that:

- Paper forms must be obtained from the IRS or printed using software from an EFAST approved software developer.
- Hand print and machine print forms generated by EFAST approved software will not be processed if they are printed out blank, or with limited information, and then completed by pen or typewriter. Only official hand print paper forms printed by the IRS may be completed by pen or typewriter.
- All information should be in the specific fields or boxes provided on the forms and schedules. Information entered outside of the fields or boxes may not be processed.
- Filings using photocopies of the computer scannable forms and schedules may be returned or cause correspondence requiring additional information.
- Do not use felt tip pens or other writing instruments that can cause signatures or data to bleed through to the other side of the paper. One-sided documents should have no markings on the blank side.
- Paper should be clean without glue or other sticky substances.
- Do not staple the forms. Use binder clips or other fasteners that do not perforate the paper.
- Do not submit extraneous material or information, such as arrows used to indicate where to sign, notes between preparers of the report, notations on the form, e.g., "DOL copy," etc.
- Do not submit unnecessary or blank schedules. Except for certain Schedule SSA filings specifically permitted by the instructions, schedules should be submitted only with a Form 5500 or in response to correspondence from the Employee Benefits Security Administration (EBSA) regarding the processing of your return/report.
- Submit all schedules (including the correct number of schedules) for which a box is checked on Form 5500, Part II, line 10.
- Do not attach or send any payments to EFAST.
- All Forms 5500 and 5500-EZ must be filed with the EBSA either electronically or at the EFAST address specified on page 5.

- Clearly identify all attachments. At the top of each attachment, indicate the schedule and line, if any (e.g., *Schedule I, Line 4k*), to which the attachment relates.

## About the Form 5500

The Form 5500 Annual Return/Report is used to report information concerning employee benefit plans and Direct Filing Entities (DFEs). Any administrator or sponsor of an employee benefit plan subject to ERISA must file information about each plan every year (Code section 6058 and ERISA sections 104 and 4065). Some plans participate in certain trusts, accounts, and other investment arrangements that file a Form 5500 as DFEs. See **Who Must File** on page 3, **When To File** on page 4 and **Where To File** on page 5.

The Internal Revenue Service (IRS), Department of Labor (DOL), and Pension Benefit Guaranty Corporation (PBGC) have consolidated certain returns and report forms to reduce the filing burden for plan administrators and employers. Employers and administrators who comply with the instructions for the Form 5500 and schedules will generally satisfy the annual reporting requirements for the IRS and DOL.

Plans covered by the PBGC have special additional requirements, including filing Annual Premium Payment (PBGC Form 1 Packages) and reporting certain transactions directly with that agency. See PBGC's Premium Package (Form 1 Packages).

Each Form 5500 must accurately reflect the characteristics and operations of the plan or arrangement being reported. The requirements for completing the Form 5500 vary according to the type of plan or arrangement. The section **What To File** on page 7 summarizes what information must be reported for different types of plans and arrangements. The chart on pages 12 and 13 gives a brief guide to the annual return/report requirements for the 2003 Form 5500.

The Form 5500 and attachments are screened by a computer process for internal consistency and completeness. The filing may be rejected based upon this review. Employers and plan administrators should provide complete and accurate information and otherwise comply fully with the filing requirements.

ERISA and the Code provide for the assessment or imposition of penalties for not submitting the required information when due. See **Penalties** on page 7.

Annual reports filed under Title I of ERISA must be made available by plan administrators to plan participants and by the DOL to the public pursuant to ERISA sections 104 and 106. Schedules E and SSA are **not** part of the annual report filed under Title I of ERISA, and are not open to public inspection.

## Changes To Note for 2003

- Form 5500 booklets are no longer mailed annually to filers of record. Rather, a postcard is being mailed with information on **How To Get Forms and Related Publications**.

- Form 5500 — The instructions for lines 8a and 8b plan characteristics codes are modified on pages 18 and 19 to include: 3I for a pension plan that requires that all or part of the employer contributions be invested and held, at least for a limited period, in employer securities and 4U for a collectively bargained welfare benefit arrangement under Code section 419A(f)(5).
- Schedule B — The instructions for line 4a, *Quarterly Contributions*, are modified for new plans; the instructions for line 8c and the *Schedule of Active Participant Data* are modified to incorporate average cash balance account data; and on line 9l(2), the current liability full funding limitation is now based on 170% of current liability.
- Schedule E — Line 1 is a modification of the former line 17. Subsequent line numbers are adjusted accordingly.
- Schedule H — Line 3 is reordered to clarify information concerning the accountant's opinion.
- Schedule H and Schedule I — To eliminate duplicative reporting, information concerning delinquent participant contributions reported on line 4a is no longer required to also be reported on line 4d (or Schedule G).
- Schedule SSA — The instructions on page 55 are modified to clarify how to report additional separated participants.

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## Telephone Assistance

If you need assistance completing this form, want to confirm the receipt of forms you submitted, or have related questions, call the EFAST Help Line at 1-866-463-3278 (toll-free) and follow the directions as prompted. The EFAST Help Line is available Monday through Friday from 8:00 am to 8:00 pm, Eastern Time.

## How To Get Forms and Related Publications

### By Phone and in Person

You can order forms and IRS publications 24 hours a day, 7 days a week, by calling **1-800-TAX-FORM** (1-800-829-3676). You can order EBSA publications by calling **1-800-998-7542**. In addition, most IRS forms and publications are available at your local IRS office.

### Personal Computer

You can access the EFAST Web Site 24 hours a day, 7 days a week at [www.efast.dol.gov](http://www.efast.dol.gov) to:

- View forms and related instructions.
- Get information regarding EFAST, including approved software vendors.
- See answers to frequently asked questions about the Form 5500 and EFAST.
- Access the main EBSA and DOL Web Sites for news, regulations, and publications.

You can access the IRS Web Site 24 hours a day, 7 days a week at [www.irs.gov](http://www.irs.gov) to:

- View forms, instructions, and publications.
- See answers to frequently asked tax questions.
- Search publications on-line by topic or keyword.
- Send comments or request help by e-mail.
- Sign up to receive local and national tax news by e-mail.

## Section 1: Who Must File

A return/report must be filed every year for every pension benefit plan, welfare benefit plan, and for every entity that files as a DFE as specified below (Code section 6058 and ERISA sections 104 and 4065).

### Pension Benefit Plan

All pension benefit plans covered by ERISA are required to file a Form 5500 except as provided in this **Who Must File** section. The return/report is due whether or not the plan is qualified and even if benefits no longer accrue, contributions were not made this plan year, or contributions are no longer made. Pension benefit plans required to file include both defined benefit plans and defined contribution plans.

The following are among the pension benefit plans for which a return/report must be filed:

1. Profit-sharing, stock bonus, money purchase, 401(k) plans, etc.
2. Annuity arrangements under Code section 403(b)(1).
3. Custodial accounts established under Code section 403(b)(7) for regulated investment company stock.
4. Individual retirement accounts (IRAs) established by an employer under Code section 408(c).
5. Pension benefit plans maintained outside the United States primarily for nonresident aliens if the employer who maintains the plan is:
  - a domestic employer, or
  - a foreign employer with income derived from sources within the United States (including foreign subsidiaries of domestic employers) if contributions to the plan are deducted on its U.S. income tax return. For this type of plan, enter 3A on Form 5500, Part II, line 8a.
6. Church pension plans electing coverage under Code section 410(d).
7. Pension benefit plans that cover residents of Puerto Rico, the U.S. Virgin Islands, Guam, Wake Island, or American Samoa. This includes a plan that elects to have the provisions of section 1022(i)(2) of ERISA apply.
8. Plans that satisfy the Actual Deferral Percentage requirements of Code section 401(k)(3)(A)(ii) by adopting the "SIMPLE" provisions of section 401(k)(11).

See **What To File** on page 7 for more information about what must be completed for pension plans.

### Special Rules for Certain Plans of Partnerships and Wholly Owned Trades or Businesses

A plan that provides deferred compensation solely for (1) an individual or an individual and his or her spouse who wholly own a trade or business, whether incorporated or unincorporated; or (2) partners or the partners and the partners' spouses in a partnership may generally file **Form 5500-EZ**, Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan, rather than a Form 5500, provided that the plan:

1. Satisfies the minimum coverage requirements of Code section 410(b) without being combined with any other plan maintained by the employer;
2. Does not cover a business that is a member of a "controlled group"; and
3. Does not cover a business for which leased employees (as defined in Code section 414(n)(2)) perform services.

A plan that fails to meet any of the above conditions must file Form 5500 rather than Form 5500-EZ. A plan that meets all of the above conditions is exempt from filing the Form 5500-EZ if the plan (and any other plans of the employer) had total assets of \$100,000 or less at the end of every plan year beginning on or after January 1, 1994.

For this purpose, a "controlled group" is a controlled group of corporations under Code section 414(b), a group of trades or

businesses under common control under Code section 414(c), or an affiliated service group under Code section 414(m) that includes the business of the owner or partner covered by the plan.



*When filing Form 5500 for a plan described in **Special Rules for Certain Plans of Partnerships and Wholly Owned Trades or Businesses**, enter code **3G** on Part II, line 8a.*

### Do Not File A Form 5500 For A Pension Benefit Plan That Is Any Of The Following:

1. An unfunded excess benefit plan. See ERISA section 4(b)(5).
2. An annuity or custodial account arrangement under Code section 403(b)(1) or (7) not established or maintained by an employer as described in DOL Regulation 29 CFR 2510.3-2(f).
3. A Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) that involves SIMPLE IRAs under Code section 408(p).
4. A simplified employee pension (SEP) or a salary reduction SEP described in Code section 408(k) that conforms to the alternative method of compliance in 29 CFR 2520.104-48 or 2520.104-49.
5. A church plan not electing coverage under Code section 410(d).
6. A pension plan that is a qualified foreign plan within the meaning of Code section 404A(e) that does not qualify for the treatment provided in Code section 402(e)(5).
7. An unfunded pension plan for a select group of management or highly compensated employees that meets the requirements of 29 CFR 2520.104-23, including timely filing of a registration statement with the DOL.
8. An unfunded dues financed pension benefit plan that meets the alternative method of compliance provided by 29 CFR 2520.104-27.
9. An individual retirement account or annuity not considered a pension plan under 29 CFR 2510.3-2(d).
10. A governmental plan.

### Welfare Benefit Plan

All welfare benefit plans covered by ERISA are required to file a Form 5500 except as provided in this **Who Must File** section. Welfare benefit plans provide benefits such as medical, dental, life insurance, apprenticeship and training, scholarship funds, severance pay, disability, etc.

See **What To File** on page 7 for more information.

**Reminder:** *The administrator of an employee welfare benefit plan that provides benefits wholly or partially through a Multiple Employer Welfare Arrangement (MEWA) as defined in ERISA section 3(40) must file a Form 5500, unless otherwise exempt.*



*IRS Notice 2002-24 does not suspend the filing of Form 5500 or any required schedules for a welfare plan subject to Title I of ERISA. Welfare plans that are associated with fringe benefit plans must file the Form 5500 in accordance with the **Welfare Benefit Plan Filing Requirements** on page 9, unless they are exempt as specified below. Welfare plans for which a Form 5500 must be filed may be eligible for limited filing requirements. See the limited reporting requirements for unfunded, fully insured or combination unfunded/insured welfare plans on page 9.*

### Do Not File A Form 5500 For A Welfare Benefit Plan That Is Any Of The Following:

1. A welfare benefit plan that covered fewer than 100 participants as of the beginning of the plan year and is unfunded, fully insured, or a combination of insured and unfunded.
  - a. An unfunded welfare benefit plan has its benefits paid as needed directly from the general assets of the employer or employee organization that sponsors the plan.

**Note.** Plans that are NOT unfunded include those plans that received employee (or former employee) contributions during the plan year and/or used a trust or separately maintained fund (including a Code section 501(c)(9) trust) to hold plan assets or act as a conduit for the transfer of plan assets during the year. However, a welfare plan with employee contributions that is associated with a fringe benefit plan under Code section 125 may be treated for annual reporting purposes as an unfunded welfare plan if it meets the requirements of DOL Technical Release 92-01, 57 Fed. Reg. 23272 (June 2, 1992) and 58 Fed. Reg. 45359 (August 27, 1993).

**b.** A fully insured welfare benefit plan has its benefits provided exclusively through insurance contracts or policies, the premiums of which must be paid directly to the insurance carrier by the employer or employee organization from its general assets or partly from its general assets and partly from contributions by its employees or members (which the employer or employee organization forwards within 3 months of receipt). The insurance contracts or policies discussed above must be issued by an insurance company or similar organization (such as Blue Cross, Blue Shield or a health maintenance organization) that is qualified to do business in any state.

**c.** A combination unfunded/insured welfare plan has its benefits provided partially as an unfunded plan and partially as a fully insured plan. An example of such a plan is a welfare benefit plan that provides medical benefits as in **a** above and life insurance benefits as in **b** above.

See 29 CFR 2520.104-20.

**Note.** A "voluntary employees' beneficiary association," as used in Code section 501(c)(9) ("VEBA"), should not be confused with the employer or employee organization that sponsors the plan. See ERISA section 3(4).

**2.** A welfare benefit plan maintained outside the United States primarily for persons substantially all of whom are nonresident aliens.

**3.** A governmental plan.

**4.** An unfunded or insured welfare plan for a select group of management or highly compensated employees which meets the requirements of 29 CFR 2520.104-24.

**5.** An employee benefit plan maintained only to comply with workers' compensation, unemployment compensation, or disability insurance laws.

**6.** A welfare benefit plan that participates in a group insurance arrangement that files a Form 5500 on behalf of the welfare benefit plan as specified in 29 CFR 2520.103-2. See 29 CFR 2520.104-43.

**7.** An apprenticeship or training plan meeting all of the conditions specified in 29 CFR 2520.104-22.

**8.** An unfunded dues financed welfare benefit plan exempted by 29 CFR 2520.104-26.

**9.** A church plan under ERISA section 3(33).

**10.** A welfare benefit plan solely for (1) an individual or an individual and his or her spouse, who wholly owns a trade or business, whether incorporated or unincorporated, or (2) partners or the partners and the partners' spouses in a partnership. See 29 CFR 2510.3-3(b).

## Direct Filing Entity (DFE)

Some plans participate in certain trusts, accounts, and other investment arrangements that file the Form 5500 as a DFE in accordance with the **Direct Filing Entity (DFE) Filing Requirements** on page 9. A Form 5500 **must** be filed for a master trust investment account (MTIA). A Form 5500 is not required but may be filed for a common/collective trust (CCT), pooled separate account (PSA), 103-12 investment entity (103-12 IE), or group insurance arrangement (GIA). However, plans that participate in CCTs, PSAs, 103-12 IEs, or GIAs that file as DFEs generally are eligible for certain annual reporting relief. For reporting purposes, a CCT, PSA, 103-12 IE, or GIA is **not** considered a DFE unless a Form 5500 and all required

attachments are filed for it in accordance with the **Direct Filing Entity (DFE) Filing Requirements**.

**Note.** Special requirements also apply to Schedules D and H attached to the Form 5500 filed by plans participating in MTIAs, CCTs, PSAs, and 103-12 IEs. See the instructions for these schedules.

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## Section 2: When To File

**Plans and GIAs.** File 2003 return/reports for plan and GIA years that began in 2003. All required forms, schedules, statements, and attachments must be filed by the last day of the 7th calendar month after the end of the plan or GIA year (not to exceed 12 months in length) that began in 2003. If the plan or GIA year differs from the 2003 calendar year, fill in the fiscal year beginning and ending dates on the line provided at the top of the form.

**DFEs other than GIAs.** File 2003 return/reports no later than 9½ months after the end of the DFE year that ended in 2003. A Form 5500 filed for a DFE must report information for the DFE year (not to exceed 12 months in length). If the DFE year differs from the 2003 calendar year, fill in the fiscal year beginning and ending dates on the line provided at the top of the form.

**Short Years.** For a plan year of less than 12 months (short plan year), file the form and applicable schedules by the last day of the 7th month after the short plan year ends. Fill in the short plan year beginning and ending dates on the line provided at the top of the form and check box B(4) in Part I. For purposes of this return/report, the short plan year ends on the date of the change in accounting period or upon the complete distribution of assets of the plan. Also see the instructions for **Final Return/Report** on page 6 to determine if box B(3) should be checked.

**Notes.** (1) If the filing due date falls on a Saturday, Sunday, or Federal holiday, the return/report may be filed on the next day that is not a Saturday, Sunday, or Federal holiday. (2) If the 2003 Form 5500 is not available before the plan or DFE filing due date, use the 2002 Form 5500 and enter the 2003 fiscal year beginning and ending dates on the line provided at the top of the form.

## Extension of Time To File

### Using Form 5558

A plan or GIA may obtain a one-time extension of time to file Form 5500 (up to 2½ months) by filing **Form 5558**, Application for Extension of Time To File Certain Employee Plan Returns, on or before the normal due date (not including any extensions) of the return/report. **You MUST file Form 5558 with the IRS.**

Approved copies of the Form 5558 will not be returned to the filer. However, a photocopy of the extension request that was filed must be attached to the Form 5500.

File Form 5558 with the Internal Revenue Service Center, Ogden, UT 84201-0027.

### Using Extension of Time To File Federal Income Tax Return

An automatic extension of time to file Form 5500 until the due date of the Federal income tax return of the employer will be granted if all of the following conditions are met: (1) the plan year and the employer's tax year are the same; (2) the employer has been granted an extension of time to file its Federal income tax return to a date later than the normal due date for filing the Form 5500 (except IRS **Form 8736**, Application for Automatic Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts); and (3) a copy of the application for extension of time to file the Federal income tax return is attached to the Form 5500. An extension granted by using this automatic extension procedure CANNOT be extended further by filing a Form 5558.

**Note.** An extension of time to file the Form 5500 described above does not operate as an extension of time to file a Form 5500 filed for a DFE (other than a GIA) or the PBGC Form 1.

### Other Extensions of Time

The IRS, DOL, and PBGC may announce special extensions of time under certain circumstances, such as extensions for Presidentially-declared disasters or for service in, or in support of, the Armed Forces of the United States in a combat zone. See [www.irs.gov](http://www.irs.gov) and [www.efast.dol.gov](http://www.efast.dol.gov) for announcements regarding such special extensions. If you are relying on one of these announced special extensions, check Form 5500, Part I, box D and attach a statement citing the announced authority for the extension. The attachment must be appropriately labeled at the top of the statement, for example, “**Form 5500, Box D - DISASTER RELIEF EXTENSION**” or “**Form 5500, Box D - COMBAT ZONE EXTENSION.**”

### Delinquent Filer Voluntary Compliance (DFVC) Program

The DFVC Program facilitates voluntary compliance by plan administrators who are delinquent in filing annual reports under Title I of ERISA by permitting administrators to pay reduced civil penalties for voluntarily complying with their DOL annual reporting obligations. If the Form 5500 is being filed under the DFVC Program, check Form 5500, Part I, box D and attach a statement explaining that the Form 5500 is being filed under the DFVC Program with “**Form 5500, Box D - DFVC FILING**” prominently displayed at the top of the statement.

See [www.efast.dol.gov](http://www.efast.dol.gov) for information concerning the submission of penalty payments to the DFVC Program processing center in Atlanta, GA. Penalty payments should **not** be submitted to EFAST.

### Private Delivery Service

You can use certain private delivery services designated by the IRS to meet the “timely mailing as timely filing/paying” rule for tax returns and payments. The most recent list of designated private delivery services was published by the IRS in September 2002 and includes only the following:

- Airborne Express (Airborne): Overnight Air Express Service, Next Afternoon Service, Second Day Service.
- DHL Worldwide Express (DHL): DHL “Same Day” Service, DHL USA Overnight.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

See **Where To File** below for the street address when using a private delivery service.

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## Section 3: Where To File

File the Form 5500, with any required schedules, statements, and attachments, at the address indicated below.

### By mail:

#### Address for filing on paper

EBSA  
P.O. Box 7043  
Lawrence, KS 66044-7043

#### Address for filing on floppy disc, CD-ROM, or tape

EBSA  
P.O. Box 7041  
Lawrence, KS 66044-7041

### By private delivery service:

#### Address for filing on paper, floppy disc, CD-ROM, or tape

EBSA  
Attn: EFAST  
3833 Greenway Drive  
Lawrence, KS 66046-1290

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## Section 4: How To File

The return/report must be completed in accordance with the **Line-by-Line Instructions for the 2003 Form 5500 and Schedules** on page 14.

Answer all questions with respect to the plan or DFE year, unless otherwise explicitly stated in the instructions or on the form itself. Therefore, responses usually apply to the year entered or printed at the top of the first page of the form.

Do not enter “N/A” and “Not Applicable” on the Form 5500 or schedules unless specifically permitted by the form, schedules, or instructions. “Yes” or “No” questions on the forms and schedules must be marked either “Yes” or “No,” but not both.

Do not enter social security numbers on the Form 5500, schedules, or other attachments unless specifically required by the form, schedules, or instructions.

**Filers make several common mistakes.** To reduce the possibility of correspondence and penalties:

- Sign and date the Form 5500, and make sure that any schedules or attachments that require a signature are properly signed and dated.
- Check your math to avoid calculation errors.
- All lines on the Form 5500 must be completed unless otherwise specified. All applicable schedules and attachments must also be completed.
- All schedules and attachments to the Form 5500 must be properly identified, and must include the name of the plan or DFE, EIN, and plan number (PN) as found on the Form 5500, lines 1a, 2b, and 1b, respectively. At the top of each attachment, indicate the schedule and line, if any (e.g., *Schedule H, Line 4i*) to which the attachment relates. When assembling the package for filing, you can place attachments to a schedule, either directly behind that schedule or at the end of the filing.
- Attach the required accountant’s opinion and report. The instructions in **What To File** on page 7 explain which plans and DFEs are required to attach the opinion and report.
- Check boxes should be filled in completely or clearly marked with an “X.” Do not mark on or near the bar code or in the upper right corner of the form as this will interfere with processing.
- Complete **Part I - Annual Report Identification Information** at the top of the Form 5500. Do not mark final return/report in Line B of Part I if you are reporting participants and/or assets at the end of the plan year.
- Complete Form 5500, lines 8 and 9, if applicable, to report all benefits provided and plan funding/benefit arrangements.
- Enter on Form 5500, line 2d, if applicable, the correct principal business activity code from pages 61, 62, or 63.

### Paper and Electronic Filing

As described in more detail below, the 2003 forms are available in two computer scannable formats: **machine print** and **hand print** (the questions are the same).

Filers can choose a machine print format that is completed by using EFAST approved computer software that produces computer scannable 2-D bar codes on the bottom of each page. Machine print forms can be filed on paper, magnetic tape, floppy diskette, or CD-ROM by mail (including certain private delivery services) or filed electronically by approved EFAST transmitters (authorized transmitters of forms by modem or file





The administrator is required to maintain a copy of the annual report with all required signatures, as part of the plan's records, even if the annual report is filed electronically. See 29 CFR 2520.103-1.

## Change in Plan Year

Generally, only defined benefit pension plans need to get approval for a change in plan year. (See Code section 412(c)(5).) However, under Rev. Proc. 87-27, 1987-1 C.B. 769, these pension plans may be eligible for automatic approval of a change in plan year. If a change in plan year for a pension or a welfare plan creates a short plan year, box B(4) in Part I of the Form 5500 must be checked and a Form 5500, with all required schedules and attachments, must be filed by the last day of the 7th calendar month after the end of the short plan year.

## Penalties

ERISA and the Code provide for the assessment or imposition of penalties for not giving complete information and for not filing statements and returns/reports. Certain penalties are administrative (i.e., they may be imposed or assessed by one of the governmental agencies delegated to administer the collection of the Form 5500 data). Others require a legal conviction.

### Administrative Penalties

Listed below are various penalties for not meeting the Form 5500 filing requirements. One or more of the following administrative penalties may be assessed or imposed in the event of incomplete filings or filings received after the due date unless it is determined that your explanation for failure to file properly is for reasonable cause:

1. A penalty of up to \$1,100 a day for each day a plan administrator fails or refuses to file a complete report. See ERISA section 502(c)(2) and 29 CFR 2560.502c-2.
2. A penalty of \$25 a day (up to \$15,000) for not filing returns for certain plans of deferred compensation, trusts and annuities, and bond purchase plans by the due date(s). See Code section 6652(e).
3. A penalty of \$1 a day (up to \$5,000) for each participant for whom a registration statement (Schedule SSA (Form 5500)) is required but not filed. See Code section 6652(d)(1).
4. A penalty of \$1,000 for not filing an actuarial statement. See Code section 6692.

### Other Penalties

1. Any individual who willfully violates any provision of Part 1 of Title I of ERISA shall be fined not more than \$100,000 or imprisoned not more than 10 years, or both. See ERISA section 501.
2. A penalty up to \$10,000, 5 years imprisonment, or both, may be imposed for making any false statement or representation of fact, knowing it to be false, or for knowingly concealing or not disclosing any fact required by ERISA. See section 1027, Title 18, U.S. Code, as amended by section 111 of ERISA.

## Section 5: What To File

The Form 5500 reporting requirements vary depending on whether the Form 5500 is being filed for a "large plan," a "small plan," and/or a DFE, and on the particular type of plan or DFE involved (e.g., welfare plan, pension plan, common/collective trust, pooled separate account, master trust investment account, 103-12 IE, or group insurance arrangement).

The instructions below provide detailed information about each of the Form 5500 schedules and which plans and DFEs are required to file them. First, the schedules are grouped by type: (1) Pension Benefit Schedules and (2) Financial Schedules. Each schedule is listed separately with a description

of the subject matter covered by the schedule and the plans and DFEs that are required to file the schedule.

Filing requirements are also listed by type of filer: (1) Pension Benefit Plan Filing Requirements, (2) Welfare Benefit Plan Filing Requirements, and (3) DFE Filing Requirements. For each filer type there is a separate list of the schedules that must be filed with the Form 5500 (including where applicable, separate lists for large plan filers, small plan filers and different types of DFEs).

The filing requirements are summarized in a "Quick Reference Chart for Form 5500, Schedules and Attachments" on pages 12 and 13.

Generally, a return/report filed for a pension benefit plan or welfare benefit plan that covered fewer than 100 participants as of the beginning of the plan year should be completed following the requirements below for a "small plan," and a return/report filed for a plan that covered 100 or more participants as of the beginning of the plan year should be completed following the requirements below for a "large plan."

Use the number of participants required to be entered in line 6 of the Form 5500 to determine whether a plan is a "small plan" or "large plan."

### Exceptions:

**(1) 80-120 Participant Rule:** *If the number of participants reported on line 6 is between 80 and 120, and a Form 5500 was filed for the prior plan year, you may elect to complete the return/report in the same category ("large plan" or "small plan") as was filed for the prior return/report. Thus, if a return/report was filed for the 2002 plan year as a small plan, including the Schedule I if applicable, and the number entered on line 6 of the 2003 Form 5500 is 100 to 120, you may elect to complete the 2003 Form 5500 and schedules in accordance with the instructions for a small plan.*

**(2) Short Plan Year Rule:** *If the plan had a short plan year of 7 months or less for either the prior plan year or the plan year being reported on the 2003 Form 5500, an election can be made to defer filing the accountant's report in accordance with 29 CFR 2520.104-50. If such an election was made for the prior plan year, the 2003 Form 5500 must be completed following the requirements for a large plan, including the attachment of the Schedule H and the accountant's reports, regardless of the number of participants entered in Part II, line 6.*

## Form 5500 Schedules

### Pension Benefit Schedules

**Schedule R (Retirement Plan Information)** – is required for a pension benefit plan that is a defined benefit plan or is otherwise subject to Code section 412 or ERISA section 302. Schedule R may also be required for certain other pension benefit plans unless otherwise specified under **Limited Pension Plan Reporting** on page 9. For additional information, see the Schedule R instructions.

**Schedule T (Qualified Pension Plan Coverage Information)** – generally is required for a pension benefit plan that is intended to be qualified under Code section 401(a) or section 403(a). However, Schedule T may not be required every year. For additional information, see the Schedule T instructions.

**Schedule B (Actuarial Information)** – is required for most defined benefit pension plans and for defined contribution pension plans that currently amortize a waiver of the minimum funding specified in the instructions for the Schedule B. For additional information, see the instructions for the Schedules B and R.

**Schedule E (ESOP Annual Information)** – is required for all pension benefit plans with ESOP benefits. For additional information, see the Schedule E instructions.

**Schedule SSA (Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits)** –

may be needed to report separated participants. For additional information, see the Schedule SSA instructions.

## Financial Schedules

**Schedule H (Financial Information)** – is required for pension benefit plans and welfare benefit plans filing as “large plans,” and for all DFE filings. Employee benefit plans, 103-12 IEs, and GIAs filing the Schedule H are generally required to engage an independent qualified public accountant and attach a report of the accountant pursuant to ERISA section 103(a)(3)(A). These plans and DFEs are also generally required to attach to the Form 5500 a “**Schedule of Assets (Held At End of Year)**,” and, if applicable, a “**Schedule of Assets (Acquired and Disposed of Within Year)**,” and a “**Schedule of Reportable Transactions.**” For additional information, see the Schedule H instructions.

**Exceptions:** *Insured, unfunded, or combination unfunded/insured welfare plans as described in 29 CFR 2520.104-44(b)(1), and certain pension plans and arrangements described in 29 CFR 2520.104-44(b)(2) and Limited Pension Plan Reporting on page 8, are exempt from completing the Schedule H.*

**Schedule I (Financial Information - Small Plan)** – is required for all pension benefit plans and welfare benefit plans filing as “small plans,” except for certain pension plans and arrangements described in 29 CFR 2520.104-44(b)(2) and **Limited Pension Plan Reporting** on page 8. For additional information, see the Schedule I instructions.

**Schedule A (Insurance Information)** – is required if any benefits under an employee benefit plan are provided by an insurance company, insurance service or other similar organization (such as Blue Cross, Blue Shield, or a health maintenance organization). This includes investment contracts with insurance companies, such as guaranteed investment contracts and pooled separate accounts. For additional information, see the Schedule A instructions.

**Note.** *Do not file Schedule A for Administrative Services Only (ASO) contracts. Do not file Schedule A if a Schedule A is filed for the contract as part of the Form 5500 filed directly by a master trust investment account or 103-12 IE. Do not file Schedule A if the plan covers only: (1) an individual or an individual and his or her spouse who wholly own a trade or business, whether incorporated or unincorporated; or (2) partners, or partners and one or more of the partner’s spouses in a partnership.*

**Schedule C (Service Provider Information)** – is required for a large plan, MTIA, 103-12 IE, or GIA if (1) any service provider who rendered services to the plan or DFE during the plan or DFE year received \$5,000 or more in compensation, directly or indirectly from the plan or DFE, or (2) an accountant and/or enrolled actuary has been terminated. For additional information, see the Schedule C instructions.

**Schedule D (DFE/Participating Plan Information)** – Part I is required for a plan or DFE that invested or participated in any MTIAs, 103-12 IEs, CCTs, and/or PSAs. Part II is required when the Form 5500 is filed for a DFE. For additional information, see the Schedule D instructions.

**Schedule G (Financial Transaction Schedules)** – is required for a large plan, MTIA, 103-12 IE, or GIA when Schedule H (Financial Information) lines 4b, 4c, and/or 4d are checked “Yes.” Part I of the Schedule G reports loans or fixed income obligations in default or classified as uncollectible. Part II of the Schedule G reports leases in default or classified as uncollectible. Part III of the Schedule G reports non-exempt transactions. For additional information, see the Schedule G instructions.



*An unfunded, fully insured, or combination unfunded/insured welfare plan with 100 or more participants exempt under 29 CFR 2520.104-44 from completing Schedule H must still complete Schedule G, Part III, to report nonexempt transactions.*

**Schedule P (Annual Return of Fiduciary of Employee Benefit Trust)** – may be filed to satisfy the requirements under Code section 6033(a) for an annual information return from every section 401(a) organization exempt from tax under section 501(a). Filing this form will start the statute of limitations under section 6501(a) for any trust described in section 401(a), which is exempt from tax under section 501(a). For additional information, see the Schedule P instructions.

## Pension Benefit Plan Filing Requirements

Pension benefit plan filers must complete the Form 5500, including the signature block and, unless otherwise specified, attach the following schedules and information:

### Small Pension Plan

The following schedules (including any additional information required by the instructions to the schedules) must be attached to a Form 5500 filed for a small pension plan:

1. Schedule A (as many as needed), to report insurance, annuity, and investment contracts held by the plan.
2. Schedule B, to report actuarial information, if applicable.
3. Schedule D, Part I, to list any CCTs, PSAs, MTIAs, and 103-12 IEs in which the plan participated at any time during the plan year.
4. Schedule E, to report ESOP annual information, if applicable.
5. Schedule I, to report small plan financial information, unless exempt.
6. Schedule P (as many as needed), to report trust fiduciary information, if applicable.
7. Schedule R, to report retirement plan information, if applicable.
8. Schedule SSA (as many as needed), to report separated vested participant information, if applicable.
9. Schedule T (as many as needed), to report tax qualified pension plan coverage information, if applicable.



*If Schedule I, line 4k, is checked “No,” you **must** attach the report of the independent qualified public accountant (IQPA) or a statement that the plan is eligible and elects to defer attaching the IQPA’s opinion pursuant to 29 CFR 2520.104-50 in connection with a short plan year of seven months or less.*

### Large Pension Plan

The following schedules (including any additional information required by the instructions to the schedules) must be attached to a Form 5500 filed for a large pension plan:

1. Schedule A (as many as needed), to report insurance, annuity, and investment contracts held by the plan.
2. Schedule B, to report actuarial information, if applicable.
3. Schedule C, to list the 40 most highly compensated service providers and, if applicable, any terminated accountants or enrolled actuaries.
4. Schedule D, Part I, to list any CCTs, PSAs, MTIAs, and 103-12 IEs in which the plan invested at any time during the plan year.
5. Schedule E, to report ESOP annual information, if applicable.
6. Schedule G, to report loans or fixed income obligations in default or determined to be uncollectible as of the end of the plan year, leases in default or classified as uncollectible, and nonexempt transactions, i.e., file Schedule G if Schedule H (Form 5500) lines 4b, 4c, and/or 4d are checked “Yes.”



7. Schedule H, to report financial information, unless exempt.
8. Schedule P (as many as needed), to report trust fiduciary information, if applicable.
9. Schedule R, to report retirement plan information, if applicable.
10. Schedule SSA (as many as needed), to report separated vested participant information, if applicable.
11. Schedule T (as many as needed), to report tax qualified pension plan coverage information, if applicable.



*You **must** attach the report of the independent qualified public accountant identified on Schedule H, line 3c, unless line 3d(2) is checked.*

### Limited Pension Plan Reporting

The pension plans or arrangements described below are eligible for limited annual reporting:

**1. 403(b) Arrangements:** A pension plan or arrangement using a tax deferred annuity arrangement under Code section 403(b)(1) and/or a custodial account for regulated investment company stock under Code section 403(b)(7) as the sole funding vehicle for providing pension benefits need complete only Form 5500, Part I and Part II, lines 1 through 5, and 8 (enter pension feature code 2L, 2M, or both).

**Note.** *The administrator of an arrangement described above is not required to engage an independent qualified public accountant, attach an accountant's opinion to the Form 5500, or attach any schedules to the Form 5500.*

**2. IRA Plans:** A pension plan utilizing individual retirement accounts or annuities (as described in Code section 408) as the sole funding vehicle for providing pension benefits need complete only Form 5500, Part I and Part II, lines 1 through 5, and 8 (enter pension feature code 2N).

**3. Fully Insured Pension Plan:** A pension benefit plan providing benefits exclusively through an insurance contract or contracts that are fully guaranteed and that meet all of the conditions of 29 CFR 2520.104-44(b)(2) during the entire plan year must complete all the requirements listed under this **Pension Benefit Plan Filing Requirements** section, except that such a plan is exempt from attaching Schedule H, Schedule I, and an accountant's opinion, and from the requirement to engage an independent qualified public accountant.

A pension benefit plan that has insurance contracts of the type described in 29 CFR 2520.104-44 as well as other assets must complete all requirements for a pension benefit plan, except that the value of the plan's allocated contracts (see below) should not be reported in Part I of Schedule H or I. All other assets should be reported on Schedule H or Schedule I, and any other required schedules. If Schedule H is filed, attach an accountant's report in accordance with the Schedule H instructions.

**Note.** *For purposes of the annual return/report and the alternative method of compliance set forth in 29 CFR 2520.104-44, a contract is considered to be "allocated" only if the insurance company or organization that issued the contract unconditionally guarantees, upon receipt of the required premium or consideration, to provide a retirement benefit of a specified amount. This amount must be provided to each participant without adjustment for fluctuations in the market value of the underlying assets of the company or organization, and each participant must have a legal right to such benefits, which is legally enforceable directly against the insurance company or organization. For example, deposit administration, immediate participation guarantee, and guaranteed investment contracts are NOT allocated contracts for Form 5500 purposes.*

**4. Nonqualified pension benefit plans maintained outside the United States:** Nonqualified pension benefit plans maintained outside the United States primarily for nonresident aliens required to file a return/report (see **Who Must File** on

page 3) must complete the Form 5500 only (enter 3A in Part II, line 8a).

## Welfare Benefit Plan Filing Requirements

Welfare benefit plan filers must complete the Form 5500, including the signature block and, unless otherwise specified, attach the following schedules and information:

### Small Welfare Plan

The following schedules (including any additional information required by the instructions to the schedules) must be attached to a Form 5500 filed for a small welfare plan:

1. Schedule A (as many as needed), to report insurance contracts held by the plan.
2. Schedule D, Part I, to list any CCTs, PSAs, MTIAs, and 103-12 IEs in which the plan participated at any time during the plan year.
3. Schedule I, to report small plan financial information.

### Large Welfare Plan

The following schedules (including any additional information required by the instructions to the schedules) must be attached to a Form 5500 filed for a large welfare plan:

1. Schedule A (as many as needed), to report insurance and investment contracts held by the plan.
2. Schedule C, if applicable, to list service providers and any terminated accountants or actuaries.
3. Schedule D, Part I, to list any CCTs, PSAs, MTIAs, and 103-12 IEs in which the plan invested at any time during the plan year.
4. Schedule G, to report loans or fixed income obligations in default or determined to be uncollectible as of the end of the plan year, leases in default or classified as uncollectible, and nonexempt transactions, i.e., file Schedule G if Schedule H (Form 5500) lines 4b, 4c, and/or 4d are checked "Yes" or if a large welfare plan that is not required to file a Schedule H has nonexempt transactions.
5. Schedule H, to report financial information, unless exempt.



*Attach the report of the independent qualified public accountant identified on Schedule H, line 3c, unless line 3d(2) is checked.*



*Neither Schedule H nor an accountant's opinion should be attached to a Form 5500 filed for an unfunded, fully insured or combination unfunded/insured welfare plan (as defined on pages 3 and 4) that covered 100 or more participants as of the beginning of the plan year which meets the requirements of 29 CFR 2520.104-44. However, Schedule G, Part III, must be attached to the Form 5500 to report any nonexempt transactions. A welfare benefit plan that uses a "voluntary employees' beneficiary association" (VEBA) under Code section 501(c)(9) is generally not exempt from the requirement of engaging an independent qualified public accountant.*

## Direct Filing Entity (DFE) Filing Requirements

Some plans participate in certain trusts, accounts, and other investment arrangements that file the Form 5500 as a DFE. A Form 5500 must be filed for a master trust investment account (MTIA). A Form 5500 is not required but may be filed for a common/collective trust (CCT), pooled separate account (PSA), 103-12 investment entity (103-12 IE), or group insurance arrangement (GIA). However, plans that participate in CCTs, PSAs, 103-12 IEs, or GIAs that file as DFEs generally are eligible for certain annual reporting relief. For reporting purposes, a CCT, PSA, 103-12 IE, or GIA is considered a DFE

only when a Form 5500 and all required attachments are filed for it in accordance with the following instructions.

Only one Form 5500 should be filed for each DFE for all plans participating in the DFE; however, the Form 5500 filed for the DFE, including all required schedules and attachments, must report information for the DFE year (not to exceed 12 months in length) that ends with or within the participating plan's year.

Any Form 5500 filed for a DFE is an integral part of the annual report of each participating plan and the plan administrator may be subject to penalties for failing to file a complete annual report unless both the DFE Form 5500 and the plan's Form 5500 are properly filed. The information required for a Form 5500 filed for a DFE varies according to the type of DFE. The following paragraphs provide specific guidance for the reporting requirements for each type of DFE.

### Master Trust Investment Account (MTIA)

The administrator filing a Form 5500 for an employee benefit plan is required to file or have a designee file a Form 5500 for each MTIA in which the plan participated at any time during the plan year. For reporting purposes, a "master trust" is a trust for which a regulated financial institution (as defined below) serves as trustee or custodian (regardless of whether such institution exercises discretionary authority or control with respect to the management of assets held in the trust), and in which assets of more than one plan sponsored by a single employer or by a group of employers under common control are held.

"Common control" is determined on the basis of all relevant facts and circumstances (whether or not such employers are incorporated).

A "regulated financial institution" means a bank, trust company, or similar financial institution that is regulated, supervised, and subject to periodic examination by a state or Federal agency. A securities brokerage firm is not a "similar financial institution" as used here. See DOL Advisory Opinion 93-21A (available at [www.dol.gov/ebsa](http://www.dol.gov/ebsa)).

The assets of a master trust are considered for reporting purposes to be held in one or more "investment accounts." A "master trust investment account" may consist of a pool of assets or a single asset. Each pool of assets held in a master trust must be treated as a separate MTIA if each plan that has an interest in the pool has the same fractional interest in each asset in the pool as its fractional interest in the pool, and if each such plan may not dispose of its interest in any asset in the pool without disposing of its interest in the pool. A master trust may also contain assets that are not held in such a pool. Each such asset must be treated as a separate MTIA.

**Notes.** (1) *If a MTIA consists solely of one plan's asset(s) during the reporting period, the plan may report the asset(s) either as an investment account on a MTIA Form 5500, or as a plan asset(s) that is not part of the master trust (and therefore subject to all instructions concerning assets not held in a master trust) on the plan's Form 5500.* (2) *If a master trust holds assets attributable to participant or beneficiary directed transactions under an individual account plan and the assets are interests in registered investment companies, interests in contracts issued by an insurance company licensed to do business in any state, interests in common/collective trusts maintained by a bank, trust company or similar institution, or the assets have a current value that is readily determinable on an established market, those assets may be treated as a single MTIA.*

The Form 5500 submitted for the MTIA must comply with the Form 5500 instructions for a **Large Pension Plan**, unless otherwise specified in the forms and instructions. The MTIA must file:

1. Form 5500, except lines C, D, 1c, 2d, and 6 through 9. Be certain to enter "M" on line A(4).
2. Schedule A (as many as needed) to report insurance, annuity and investment contracts held by the MTIA.

3. Schedule C, to report service provider information. Part II is not required for a MTIA.

4. Schedule D, to list CCTs, PSAs, and 103-12 IEs in which the MTIA invested at any time during the MTIA year and to list all plans that participated in the MTIA during its year.

5. Schedule G, to report loans or fixed income obligations in default or determined to be uncollectible as of the end of the MTIA year, all leases in default or classified as uncollectible, and nonexempt transactions.

6. Schedule H, to report financial information. An accountant's opinion is not required for a MTIA.

7. Additional information required by the instructions to the above schedules, including, for example, the schedules of assets held for investment and the schedule of reportable transactions. For purposes of the schedule of reportable transactions, the 5% figure shall be determined by comparing the current value of the transaction at the transaction date with the current value of the investment account assets at the beginning of the applicable fiscal year of the MTIA. All attachments must be properly labeled.

### Common/Collective Trust (CCT) and Pooled Separate Account (PSA)

A Form 5500 is not required to be filed for a CCT or PSA. However, the administrator of a large plan or DFE that participates in a CCT or PSA that files as specified below is entitled to reporting relief that is not available to plans or DFEs participating in a CCT or PSA for which a Form 5500 is not filed.

For reporting purposes, "common/collective trust" and "pooled separate account" are, respectively: (1) a trust maintained by a bank, trust company, or similar institution or (2) an account maintained by an insurance carrier, which are regulated, supervised, and subject to periodic examination by a state or Federal agency in the case of a CCT, or by a state agency in the case of a PSA, for the collective investment and reinvestment of assets contributed thereto from employee benefit plans maintained by more than one employer or controlled group of corporations as that term is used in Code section 1563. See 29 CFR 2520.103-3, 103-4, 103-5, and 103-9.

**Note.** *For reporting purposes, a separate account that is not considered to be holding plan assets pursuant to 29 CFR 2510.3-101(h)(1)(iii) does not constitute a pooled separate account.*

The Form 5500 submitted for a CCT or PSA must comply with the Form 5500 instructions for a **Large Pension Plan**, unless otherwise specified in the forms and instructions. The CCT or PSA must file:

1. Form 5500, except lines C, D, 1c, 2d, and 6 through 9. Enter "C" or "P," as appropriate, on line A(4).
2. Schedule D, to list all CCTs, PSAs, MTIAs, and 103-12 IEs in which the CCT or PSA invested at any time during the CCT or PSA year and to list in Part II all plans that participated in the CCT or PSA during its year.
3. Schedule H, to report financial information. Part IV and an accountant's opinion are not required for a CCT or PSA.



*Different requirements apply to the Schedules D and H attached to the Form 5500 filed by plans and DFEs participating in CCTs and PSAs, depending upon whether a DFE Form 5500 has been filed for the CCT or PSA. See the instructions for these schedules.*

### 103-12 Investment Entity (103-12 IE)

DOL Regulation 2520.103-12 provides an alternative method of reporting for plans that invest in an entity (other than a MTIA, CCT, or PSA), whose underlying assets include "plan assets" within the meaning of 29 CFR 2510.3-101 of two or more plans that are not members of a "related group" of employee benefit plans. Such an entity for which a Form 5500 is filed constitutes

a “103-12 IE.” A Form 5500 is not required to be filed for such entities; however, filing a Form 5500 as a 103-12 IE provides certain reporting relief, including the limitation of the examination and report of the independent qualified public accountant provided by 29 CFR 2520.103-12(d), to participating plans and DFEs. For this reporting purpose, a “related group” of employee benefit plans consists of each group of two or more employee benefit plans (1) each of which receives 10% or more of its aggregate contributions from the same employer or from a member of the same controlled group of corporations (as determined under Code section 1563(a), without regard to Code section 1563(a)(4) thereof); or (2) each of which is either maintained by, or maintained pursuant to a collective-bargaining agreement negotiated by, the same employee organization or affiliated employee organizations. For purposes of this paragraph, an “affiliate” of an employee organization means any person controlling, controlled by, or under common control with such organization. See 29 CFR 2520.103-12.

The Form 5500 submitted for a 103-12 IE must comply with the Form 5500 instructions for a **Large Pension Plan**, unless otherwise specified in the forms and instructions. The 103-12 IE must file:

1. Form 5500, except lines C, D, 1c, 2d, and 6 through 9. Enter “E” on line A(4).
2. Schedule A (as many as needed), to report insurance, annuity and investment contracts held by the 103-12 IE.
3. Schedule C, to report service provider information and any terminated accountants.
4. Schedule D, to list all CCTs, PSAs, and 103-12 IEs in which the 103-12 IE invested at any time during the 103-12 IE’s year, and to list all plans that participated in the 103-12 IE during its year.
5. Schedule G, to report loans or fixed income obligations in default or determined to be uncollectible as of the end of the 103-12 IE year, leases in default or classified as uncollectible, and nonexempt transactions.
6. Schedule H, to report financial information.
7. Additional information required by the instructions to the above schedules, including, for example, the report of the

independent qualified public accountant identified on Schedule H, line 3c, and the schedule(s) of assets held for investment. All attachments must be properly labeled.

### **Group Insurance Arrangement (GIA)**

Each welfare benefit plan that is part of a group insurance arrangement is exempted from the requirement to file a Form 5500 if a consolidated Form 5500 report for all the plans in the arrangement was filed in accordance with 29 CFR 2520.104-43. For reporting purposes, a “group insurance arrangement” provides benefits to the employees of two or more unaffiliated employers (not in connection with a multiemployer plan or a collectively-bargained multiple-employer plan), fully insures one or more welfare plans of each participating employer, uses a trust or other entity as the holder of the insurance contracts, and uses a trust as the conduit for payment of premiums to the insurance company. The GIA must file:

1. Form 5500, except lines C and 2d. Enter “G” on line A(4).
2. Schedule A (as many as needed), to report insurance, annuity and investment contracts held by the GIA.
3. Schedule C, to report service provider information and any terminated accountants.
4. Schedule D, to list all CCTs, PSAs, and 103-12 IEs in which the GIA invested at any time during the GIA year, and to list all plans that participated in the GIA during its year.
5. Schedule G, to report loans or fixed income obligations in default or determined to be uncollectible as of the end of the GIA year, leases in default or classified as uncollectible, and nonexempt transactions.
6. Schedule H, to report financial information.
7. Additional information required by the instructions to the above schedules, including, for example, the report of the independent qualified public accountant identified on Schedule H, line 3c, the schedules of assets held for investment and the schedule of reportable transactions. All attachments must be properly labeled.

## Quick Reference Chart for Form 5500, Schedules and Attachments<sup>1</sup>

	Large Pension Plan	Small Pension Plan	Large Welfare Plan	Small Welfare Plan	DFE
<b>Form 5500</b>	Must complete.	Must complete.	Must complete.	Must complete. <sup>2</sup>	Must complete.
<b>Schedule A</b> (Insurance Information)	Must complete if plan has insurance contracts for benefits or investments.	Must complete if plan has insurance contracts for benefits or investments.	Must complete if plan has insurance contracts for benefits or investments.	Must complete if plan has insurance contracts for benefits or investments.	Must complete if MTIA, 103-12 IE or GIA has insurance contracts for benefits or investments.
<b>Schedule B</b> (Actuarial Information)	Must complete if defined benefit plan and subject to minimum funding standards. <sup>3</sup>	Must complete if defined benefit plan and subject to minimum funding standards. <sup>3</sup>	Not required.	Not required.	Not required.
<b>Schedule C</b> (Service Provider Information)	Must complete if service provider was paid \$5,000 or more and/or an accountant or actuary was terminated.	Not required.	Must complete if service provider was paid \$5,000 or more and/or an accountant or actuary was terminated.	Not required.	MTIAs, GIAs and 103-12 IEs must complete Part I if service provider paid \$5,000 or more. GIAs and 103-12 IEs must complete Part II if accountant was terminated.
<b>Schedule D</b> (DFE/ Participating Plan Information)	Must complete Part I if plan participated in a CCT, PSA, MTIA, or 103-12 IE.	Must complete Part I if plan participated in a CCT, PSA, MTIA, or 103-12 IE.	Must complete Part I if plan participated in a CCT, PSA, MTIA, or 103-12 IE.	Must complete Part I if plan participated in a CCT, PSA, MTIA, or 103-12 IE.	All DFEs must complete Part II, and DFEs that invest in CCT, PSA, or 103-12 IE must also complete Part I.
<b>Schedule E</b> (ESOP Annual Information)	Must complete if ESOP.	Must complete if ESOP.	Not required.	Not required.	Not required.
<b>Schedule G</b> (Financial Transaction Schedules)	Must complete if Schedule H, line 4b, 4c, or 4d is "Yes." <sup>4</sup>	Not required.	Must complete if Schedule H, line 4b, 4c, or 4d is "Yes." <sup>2, 4</sup>	Not required.	MTIAs, GIAs and 103-12 IEs must complete if Schedule H, line 4b, 4c, or 4d is "Yes." <sup>4</sup>
<b>Schedule H</b> (Financial Information)	Must complete. <sup>4</sup>	Not required.	Must complete. <sup>2, 4</sup>	Not required.	All DFEs must complete Parts I, II, and III. MTIAs, 103-12 IEs, and GIAs must also complete Part IV. <sup>4</sup>

	<b>Large Pension Plan</b>	<b>Small Pension Plan</b>	<b>Large Welfare Plan</b>	<b>Small Welfare Plan</b>	<b>DFE</b>
<b>Schedule I</b> (Financial Information— Small Plan)	Not required.	Must complete.	Not required.	Must complete. <sup>2</sup>	Not required.
<b>Schedule P</b> (Annual Return of Fiduciary of Employee Benefit Trust)	Must file to start running of statute of limitations under Code section 6501(a).	Must file to start running of statute of limitations under Code section 6501(a).	Not required.	Not required.	Not required.
<b>Schedule R</b> (Retirement Plan Information)	Must complete. <sup>5</sup>	Must complete. <sup>5</sup>	Not required.	Not required.	Not required.
<b>Schedule SSA</b> (Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits)	Must complete if plan had separated participants with deferred vested benefits to report.	Must complete if plan had separated participants with deferred vested benefits to report.	Not required.	Not required.	Not required.
<b>Schedule T</b> (Qualified Pension Plan Coverage Information)	Must complete if qualified plan unless permitted to rely on coverage testing information for prior year.	Must complete if qualified plan unless permitted to rely on coverage testing information for prior year.	Not required.	Not required.	Not required.
<b>Accountant's Report</b>	Must attach.	Not required unless Schedule I, line 4k, is checked "No."	Must attach. <sup>2</sup>	Not required.	Must attach for a GIA or 103-12 IE.

<sup>1</sup> This chart provides only general guidance. Not all rules and requirements are reflected. Refer to specific Form 5500 instructions for complete information on filing requirements (e.g., **Who Must File** on page 3 and **What To File** on page 7). For example, a pension plan is exempt from filing any schedules if the plan uses a Code section 403(b)(1) annuity, 403(b)(7) custodial account, or 408 individual retirement accounts or annuities as the sole funding vehicle for providing benefits. See **Limited Pension Plan Reporting** on page 8.

<sup>2</sup> Unfunded, fully insured and combination unfunded/insured welfare plans covering fewer than 100 participants at the beginning of the plan year that meet the requirements of 29 CFR 2520.104-20 are exempt from filing an annual report. (See **Who Must File** on page 3.) Such a plan with 100 or more participants must file an annual report, but is exempt under 29 CFR 2520.104-44 from the accountant's report requirement and completing Schedule H, but MUST complete Schedule G, Part III, to report any nonexempt transactions. See **What To File** on page 7.

<sup>3</sup> Certain money purchase defined contribution plans are required to complete Schedule B, lines 3, 9, and 10 in accordance with the instructions for Schedule R, line 5.

<sup>4</sup> Schedules of assets and reportable (5%) transactions also must be filed with the Form 5500 if Schedule H, line 4i or 4j is "Yes," but use of printed form not required.

<sup>5</sup> A pension plan is exempt from filing Schedule R if each of the following four conditions is met:

- The plan is not a defined benefit plan or otherwise subject to the minimum funding standards of Code section 412 or ERISA section 302.
- No in-kind distributions reportable on line 1 of Schedule R were distributed during the plan year.
- No benefits were distributed during the plan year which are reportable on Form 1099-R using an EIN other than that of the plan sponsor or plan administrator.
- In the case of a plan that is not a profit-sharing, ESOP or stock bonus plan, no plan benefits were distributed during the plan year in the form of a single sum distribution.

## Section 6: Line-by-Line Instructions for the 2003 Form 5500 and Schedules

### Part I - Annual Report Identification Information

File Form 5500 with "2003" printed in the upper right corner for a plan year that began in 2003 or a DFE year that ended in 2003. If the plan or DFE year is not the 2003 calendar year, enter the dates in Part I. If the 2003 Form 5500 is not available before the filing due date, use the 2002 Form 5500 and enter the dates the plan or DFE year began and ended in Part I.

One Form 5500 is generally filed for each plan or entity described in the instructions to boxes A(1) through A(4) below. **Do not check more than one box.**

A separate Form 5500, with box A(2) checked, must be filed by each employer participating in a plan or program of benefits in which the funds attributable to each employer are available to pay benefits only for that employer's employees, even if the plan is maintained by a controlled group.

A "controlled group" is generally considered one employer for Form 5500 reporting purposes. A "controlled group" is a controlled group of corporations under Code section 414(b), a group of trades or businesses under common control under section 414(c), or an affiliated service group under section 414(m).

**Box A(1). Multiemployer Plan.** Check this box if the Form 5500 is filed for a multiemployer plan. A plan is a multiemployer plan if: **(a)** more than one employer is required to contribute, **(b)** the plan is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and **(c)** an election under Code section 414(f)(5) and ERISA section 3(37)(E) has not been made. Participating employers do not file individually for these plans. See 29 CFR 2510.3-37.

**Box A(2). Single-Employer Plan.** Check this box if the Form 5500 is filed for a single-employer plan. A single-employer plan is an employee benefit plan maintained by one employer or one employee organization.

**Box A(3). Multiple-Employer Plan.** Check this box if the Form 5500 is being filed for a multiple-employer plan. A multiple-employer plan is a plan that is maintained by more than one employer and is not one of the plans already described. Multiple-employer plans can be collectively bargained and collectively funded, but if covered by PBGC termination insurance, must have properly elected before September 27, 1981, not to be treated as a multiemployer plan under Code section 414(f)(5) or ERISA sections 3(37)(E) and 4001(a)(3). Participating employers do not file individually for these plans. **Do not check this box if the employers maintaining the plan are members of the same controlled group.**

**Box A(4). Direct Filing Entity.** Check this box and enter the correct letter from the following chart to indicate the type of entity in the space provided.

Type of entity ▼	Enter the letter ▼
Master Trust Investment account	M
Common/collective trust	C
Pooled separate account	P
103-12 Investment Entity	E
Group Insurance Arrangement	G

**Note.** A separate annual report with a "M" entered on Form 5500, Box A(4), must be filed for each MTIA. See definition on page 9.

**Box B(1).** Check this box if an annual return/report has not been previously filed for this plan or DFE. For the purpose of completing box B(1), the Form 5500-EZ is not considered an annual return/report.

**Box B(2).** Check this box if this Form 5500 is being submitted as an amended return/report to correct errors and/or omissions on a previously filed Form 5500 for the 2003 plan year. If you are filing a corrected return/report in response to correspondence from the EBSA regarding processing of your return/report, do **not** check Part I, box B(2).

**Box B(3).** Check this box if this Form 5500 is the last Form 5500 required to be submitted for this plan. (See **Final Return/Report** on page 6.)

**Note.** Do not check Box B(3) if "4R" is entered on line 8b for a welfare plan that is not required to file a Form 5500 for the next plan year because the welfare plan has become eligible for an annual reporting exemption. For example, certain unfunded and insured welfare plans may be required to file the 2003 Form 5500 and be exempt from filing a Form 5500 for the plan year 2004 if the number of participants covered as of the beginning of the 2004 plan year drops below 100. See **Who Must File** on page 3. Should the number of participants covered by such a plan increase to 100 or more in a future year, the plan should resume filing Form 5500 and enter "4S" on line 8b on that year's Form 5500. See 29 CFR 2520.104-20.

**Box B(4).** Check this box if this Form 5500 is filed for a plan year of less than 12 months.

**Box C.** Check box C when the contributions to the plan and/or the benefits paid by the plan are subject to the collective bargaining process (even if the plan is not established and administered by a joint board of trustees and even if only some of the employees covered by the plan are members of a collective bargaining unit that negotiates contributions and/or benefits). The contributions and/or benefits do not have to be identical for all employees under the plan.

**Box D.** Check this box if:

- You filed for an extension of time to file this form with the IRS using a completed and signed **Form 5558**, Application for Extension of Time To File Certain Employee Plan Returns (attach a copy of the Form 5558 to the return/report);
- You are filing using the automatic extension of time to file Form 5500 until the due date of the Federal income tax return of the employer (attach a copy of the employer's extension of time to file the income tax return to the return/report);
- You are filing using a special extension of time to file Form 5500 that has been announced by the IRS, DOL and PBGC. Attach a statement citing the announced authority for the extension. The attachment must be appropriately labeled at the

top of the statement (e.g., “**Form 5500, Box D - DISASTER RELIEF EXTENSION**” or “**Form 5500, Box D - COMBAT ZONE EXTENSION**”). See **Other Extensions of Time** on page 4, for more information.

- You are filing under DOL’s Delinquent Filer Voluntary Compliance (DFVC) Program. Attach a statement that the report is submitted under the DFVC Program with “**Form 5500, Box D - DFVC FILING**” prominently displayed at the top of the statement. See **Delinquent Filer Voluntary Compliance (DFVC) Program** on page 5, for more information.

## Part II - Basic Plan Information

**Line 1a.** Enter the formal name of the plan or DFE or enough information to identify the plan or DFE. Abbreviate if necessary.

**Line 1b.** Enter the three-digit plan or entity number (PN) the employer or plan administrator assigned to the plan or DFE. This three-digit number, in conjunction with the employer identification number (EIN) entered on line 2b, is used by the IRS, DOL, and PBGC as a unique 12-digit number to identify the plan or DFE.

Start at 001 for plans providing pension benefits or DFEs as illustrated in the table below. Start at 501 for welfare plans and GIAs. Do not use 888 or 999.

Once you use a plan or DFE number, continue to use it for that plan or DFE on all future filings with the IRS, DOL, and PBGC. Do not use it for any other plan or DFE, even if the first plan or DFE is terminated.

For each Form 5500 with the same EIN (line 2b), when ▼	Assign PN ▼
Part II, box 8a is checked, or Part I, A(4) is checked and an M, C, P, or E is entered	001 to the first plan or DFE. Consecutively number others as 002, 003. . .
Part II, box 8b is checked and 8a is not checked, or Part I, A(4) is checked and a G is entered	501 to the first plan or GIA. Consecutively number others as 502, 503. . .

**Exception.** If Part II, box 8a is checked and 333 (or a higher number in a sequence beginning with 333) was previously assigned to the plan, that number may be entered on line 1b.

**Line 1c.** Enter the date the plan first became effective.

**Line 2a.** Each row of boxes on the hand print forms is designed to contain specific information regarding the plan sponsor. Please limit your response to the information required in each row of boxes as specified below:

1. Enter in the first two rows of boxes labeled **1**) the name of the plan sponsor or, in the case of a Form 5500 filed for a DFE, the name of the insurance company, financial institution or other sponsor of the DFE (e.g., in the case of a GIA, the trust or other entity that holds the insurance contract or in the case of an MTIA, one of the sponsoring employers). If the plan covers only the employees of one employer, enter the employer’s name.

The term “plan sponsor” means:

- The employer, for an employee benefit plan that a single employer established or maintains;
- The employee organization in the case of a plan of an employee organization; or
- The association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan, if the plan is established or maintained jointly by one or more employers and one or more employee organizations, or by two or more employers.

**Note.** In the case of a multiple-employer plan, if an association or similar entity is not the sponsor, enter the name of a

participating employer as sponsor. A plan of a controlled group of corporations should enter the name of one of the sponsoring members. In either case, the same name must be used in all subsequent filings of the Form 5500 for the multiple-employer plan or controlled group (see instructions to line 4 concerning change in sponsorship).

- Enter in row **2**) any “in care of (C/O)” name.
- Enter in row **3**) the street address. A post office box number may be entered if the Post Office does not deliver mail to the sponsor’s street address.
- Enter in row **4**) the name of the city.
- Enter in row **5**) the two-character abbreviation of the U.S. state or possession and zip code.
- Enter in row **6**) the foreign routing code, if applicable. Leave row **5**), U.S. state and zip code, blank if entering information in rows **6**) and **7**).
- Enter in row **7**) the foreign country, if applicable.
- Enter in row **8**) the “doing business as (D/B/A)” or trade name of the sponsor if different from the name entered in **1**).
- Enter in the rows of boxes labeled **9**) any second address. Use only a street address, not a P.O. box, here. A P.O. box may be entered only in row **3**).

**Line 2b.** Enter the nine-digit employer identification number (EIN) assigned to the plan sponsor/employer. For example, 00-1234567. In the case of a DFE, enter the EIN assigned to the CCT, PSA, MTIA, 103-12 IE, or GIA.

Employers, plan administrators and DFEs who do not have an EIN should apply for one on **Form SS-4**, Application for Employer Identification Number, as soon as possible. You can obtain Form SS-4 by calling **1-800-TAX-FORM** (1-800-829-3676) or at the IRS Web Site at [www.irs.gov](http://www.irs.gov). The EBSA does **not** issue EINs.

A multiple-employer plan or plan of a controlled group of corporations should use the EIN of the sponsor identified in line 2a. The EIN must be used in all subsequent filings of the Form 5500 for these plans (see instructions to line 4 concerning change in EIN).

If the plan sponsor is a group of individuals, get a single EIN for the group. When you apply for a number, enter on line 1 of Form SS-4 the name of the group, such as “Joint Board of Trustees of the Local 187 Machinists’ Retirement Plan.” EINs may be obtained by filing Form SS-4 as explained above.

**Note.** EINs for funds (trusts or custodial accounts) associated with plans (other than DFEs) are generally not required to be furnished on the Form 5500; the IRS will issue EINs for such funds for other reporting purposes. EINs may be obtained by filing Form SS-4 as explained above. Plan sponsors should use the trust EIN described above when opening a bank account or conducting other transactions for a trust that require an EIN.

**Line 2d.** Enter the six-digit business code that best describes the nature of the plan sponsor’s business from the list of business codes on pages 61, 62, and 63. If more than one employer or employee organization is involved, enter the business code for the main business activity of the employers and/or employee organizations.

**Line 3a.** Each row of boxes on the hand print forms is designed to contain specific information regarding the plan administrator. Please limit your response to the information required in each row of boxes as specified below:

1. Enter in the first two rows of boxes labeled **1**) the name of the plan administrator unless the administrator is the sponsor identified in line 2 or the Form 5500 is submitted for a DFE (Part I, box A(4) should be checked). If this is the case, enter the word “same” on line 3a and leave the remainder of line 3a, and all of lines 3b and 3c blank.

Plan administrator means:

- The person or group of persons specified as the administrator by the instrument under which the plan is operated;

- The plan sponsor/employer if an administrator is not so designated; or
  - Any other person prescribed by regulations if an administrator is not designated and a plan sponsor cannot be identified.
2. Enter in row **2**) any “in care of (C/O)” name.
  3. Enter in row **3**) the street address. A post office box number may be entered if the Post Office does not deliver mail to the administrator’s street address.
  4. Enter in row **4**) the name of the city.
  5. Enter in row **5**) the two-character abbreviation of the U.S. state or possession and zip code.
  6. Enter in rows **6**) and **7**) the foreign routing code and foreign country, if applicable. Leave row **5**), U.S. state and zip code, blank if entering information in rows **6**) and **7**).

**Line 3b.** Enter the plan administrator’s nine-digit EIN. A plan administrator must have an EIN for Form 5500 reporting purposes. If the plan administrator does not have an EIN, apply for one as explained in the instructions for line 2b. One EIN should be entered for a group of individuals who are, collectively, the plan administrator.

**Note.** *Employees of the plan sponsor who perform administrative functions for the plan are generally not the plan administrator unless specifically designated in the plan document. If an employee of the plan sponsor is designated as the plan administrator, that employee must get an EIN.*

**Line 4.** If the plan sponsor’s or DFE’s name and/or EIN have changed since the last return/report was filed for this plan or DFE, enter the plan sponsor’s or DFE’s name, EIN, and the plan number as it appeared on the last return/report filed.

**Line 5.** (Optional) You may use this line to designate the person or entity that is principally responsible for the preparation of the annual return/report.

**Line 5a.** Each row of boxes on the hand print forms is designed to contain specific information regarding the preparer. Please limit your response to the information required in each row of boxes as specified below:

1. If the person who prepared the annual return/report is not the employer named in line 2a or the plan administrator named in line 3a, you may name the person in the first two rows of boxes labeled **1**).
2. Enter in row **2**) the street address. If the Post Office does not deliver mail to the street address and the preparer has a P.O. box, enter the box number.
3. Enter in row **3**) the name of the city.
4. Enter in row **4**) the two-character abbreviation of the U.S. state or possession and zip code.
5. Enter in rows **5**) and **6**) the foreign routing code and foreign country, if applicable. Leave row **4**), U.S. state and zip code, blank if entering information in rows **5**) and **6**).

**Lines 6 and 7.** All filers **must** complete both lines 6 and 7 unless the Form 5500 is filed for a 403(b) Arrangement or IRA Plan eligible for **Limited Pension Plan Reporting** as described on page 8 or for a DFE.

The description of “participant” in the instructions below is only for purposes of these lines.

For welfare plans, the number of participants should be determined by reference to 29 CFR 2510.3-3(d). Dependents are considered neither participants nor beneficiaries. A child who is an “alternate recipient” entitled to health benefits under a qualified medical child support order should not be counted as a participant for lines 6 and 7. For pension benefit plans, “alternate payees” entitled to benefits under a qualified domestic relations order are not to be counted as participants for these lines.

“Participant” means any individual who is included in one of the categories below:

1. Active participants include any individuals who are currently in employment covered by a plan and who are earning

or retaining credited service under a plan. This category includes any individuals who are eligible to elect to have the employer make payments to a Code section 401(k) qualified cash or deferred arrangement. Active participants also include any nonvested individuals who are earning or retaining credited service under a plan. This category does not include **(a)** nonvested former employees who have incurred the break in service period specified in the plan or **(b)** former employees who have received a “cash-out” distribution or deemed distribution of their entire nonforfeitable accrued benefit.

2. Retired or separated participants receiving benefits are any individuals who are retired or separated from employment covered by the plan and who are receiving benefits under the plan. This includes former employees who are receiving group health continuation coverage benefits pursuant to Part 6 of ERISA and who are covered by the employee welfare benefit plan. This category does not include any individual to whom an insurance company has made an irrevocable commitment to pay all the benefits to which the individual is entitled under the plan.

3. Other retired or separated participants entitled to future benefits are any individuals who are retired or separated from employment covered by the plan and who are entitled to begin receiving benefits under the plan in the future. This category does not include any individual to whom an insurance company has made an irrevocable commitment to pay all the benefits to which the individual is entitled under the plan.

4. Deceased individuals who had one or more beneficiaries who are receiving or are entitled to receive benefits under the plan. This category does not include an individual if an insurance company has made an irrevocable commitment to pay all the benefits to which the beneficiaries of that individual are entitled under the plan.

**Line 7g.** Enter the number of participants included on line 7f (total participants at the end of the plan year) who have account balances. For example, for a Code section 401(k) plan the number entered on line 7g should be the number of participants counted on line 7f who have made a contribution to the plan for this plan year or any prior plan year. Defined benefit plans should leave line 7g blank.

**Line 7h.** Include any individual who terminated employment during this plan year, whether or not he or she **(a)** incurred a break in service, **(b)** received an irrevocable commitment from an insurance company to pay all the benefits to which he or she is entitled under the plan, and/or **(c)** received a cash distribution or deemed cash distribution of his or her nonforfeitable accrued benefit. Multiemployer plans and multiple-employer plans that are collectively bargained do not have to complete line 7h.

**Line 7i.** If a number is entered on line 7i, you must file Schedule SSA (Form 5500) as an attachment to the Form 5500.



*Code section 6057(e) provides that the plan administrator must give each participant a statement showing the same information reported on Schedule SSA for that participant.*

**Line 8 - Benefits Provided Under the Plan.** Check 8a and/or 8b, as appropriate. In addition, enter in the boxes provided all applicable plan characteristic codes from the table on pages 18 and 19 that describe the characteristics of the plan being reported. (See examples on page 20.)

**Line 9 - Funding and Benefit Arrangements.** Check all boxes that apply to indicate the funding and benefit arrangements used during the plan year. The “funding arrangement” is the method for the receipt, holding, investment, and transmittal of plan assets prior to the time the plan actually provides benefits. The “benefit arrangement” is the method by which the plan provides benefits to participants. For the purposes of line 9:

“**Insurance**” means the plan has an account, contract, or policy with an insurance company, insurance service, or other



similar organization (such as Blue Cross, Blue Shield, or a health maintenance organization) during the plan or DFE year. (This includes investments with insurance companies such as guaranteed investment contracts (GICs).) Do not check "insurance" if the sole function of the insurance company was to provide administrative services.

**"Code section 412(i) insurance contracts"** are contracts that provide retirement benefits under a plan that are guaranteed by an insurance carrier. In general, such contracts must provide for level premium payments over the individual's period of participation in the plan (to retirement age), premiums must be timely paid as currently required under the contract, no rights under the contract may be subject to a security interest and no policy loans may be outstanding. If a plan is funded exclusively by the purchase of such contracts, the otherwise applicable minimum funding requirements of section 412 of the Code and section 302 of ERISA do not apply for the year and a Schedule B is not required to be filed.

**"Trust"** includes any fund or account that receives, holds, transmits, or invests plan assets other than an account or policy of an insurance company.

**"General assets of the sponsor"** means either the plan had no assets or some assets were commingled with the general assets of the plan sponsor prior to the time the plan actually provided the benefits promised.

**Example.** If the plan held all its assets invested in registered investment companies and other non-insurance company investments until it purchases annuities to pay out the benefits promised under the plan, box 9a(3) should be checked as the funding arrangement and box 9b(1) should be checked as the benefit arrangement.

**Note.** An employee benefit plan that checks boxes 9a(1), 9a(2), 9b(1), and/or 9b(2) must attach **Schedule A (Form 5500), Insurance Information**, to provide information concerning each contract year ending with or within the plan year. See the instructions to the Schedule A and enter the number of Schedules A on line 10b(3), if applicable.

**Line 10.** Check the boxes on line 10 to indicate the schedules being filed and, where applicable, count the schedules and enter the number of attached schedules in the space provided.

**LIST OF PLAN CHARACTERISTICS CODES FOR LINES 8a AND 8b**

<b>CODE</b>	<b>Defined Benefit Pension Features</b>		
		2B	Target benefit plan
1A	Benefits are primarily pay related	2C	Money purchase (other than target benefit)
1B	Benefits are primarily flat dollar (includes dollars per year of service).	2D	Offset plan - Plan benefits are subject to offset for retirement benefits provided in another plan or arrangement of the employer.
1C	Cash balance or similar plan - Plan has a "cash balance" formula. For this purpose, a "cash balance" formula is a benefit formula in a defined benefit plan by whatever name (e.g., personal account plan, pension equity plan, life cycle plan, cash account plan, etc.) that rather than, or in addition to, expressing the accrued benefit as a life annuity commencing at normal retirement age, defines benefits for each employee in terms more common to a defined contribution plan such as a single sum distribution amount (e.g., 10 percent of final average pay times years of service, or the amount of the employee's hypothetical account balance).	2E	Profit-sharing
		2F	ERISA section 404(c) Plan - This plan, or any part of it, is intended to meet the conditions of 29 CFR 2550.404c-1.
		2G	Total participant-directed account plan - Participants have the opportunity to direct the investment of all the assets allocated to their individual accounts, regardless of whether 29 CFR 2550.404c-1 is intended to be met.
		2H	Partial participant-directed account plan - Participants have the opportunity to direct the investment of a portion of the assets allocated to their individual accounts, regardless of whether 29 CFR 2550.404c-1 is intended to be met.
1D	Floor-offset plan - Plan benefits are subject to offset for retirement benefits provided by an employer-sponsored defined contribution plan.	2I	Stock bonus
1E	Code section 401(h) arrangement - Plan contains separate accounts under Code section 401(h) to provide employee health benefits.	2J	Code section 401(k) feature - A cash or deferred arrangement described in Code section 401(k) that is part of a qualified defined contribution plan that provides for an election by employees to defer part of their compensation or receive these amounts in cash.
1F	Code section 414(k) arrangement - Benefits are based partly on the balance of the separate account of the participant (also include appropriate defined contribution pension feature codes).	2K	Code section 401(m) arrangement - Employee contributions are allocated to separate accounts under the plan or employer contributions are based, in whole or in part, on employee deferrals or contributions to the plan. Not applicable if plan is 401(k) plan with only QNECs and/or QMACs. Also not applicable if Code section 403(b)(1), 403(b)(7) or 408 arrangements/accounts/annuities.
1G	Covered by PBGC - Plan is covered under the PBGC insurance program (see ERISA section 4021).	2L	Code section 403(b)(1) arrangement - See <b>Limited Pension Plan Reporting</b> instructions for Code section 403(b)(1) arrangements for certain exempt organizations.
1H	Plan covered by PBGC that was terminated and closed out for PBGC purposes - Before the end of the plan year (or a prior plan year), (1) the plan terminated in a standard (or distress) termination and completed the distribution of plan assets in satisfaction of all benefit liabilities (or all ERISA Title IV benefits for distress termination); or (2) a trustee was appointed for a terminated plan pursuant to ERISA section 4042.	2M	Code section 403(b)(7) accounts - See <b>Limited Pension Plan Reporting</b> instructions for Code section 403(b)(7) custodial accounts for regulated investment company stock for certain exempt organizations.
1I	Frozen Plan - As of the last day of the plan year, the plan provides that no participant will get any new benefit accrual (whether because of service or compensation).	2N	Code section 408 accounts and annuities - See <b>Limited Pension Plan Reporting</b> instructions for pension plan utilizing individual Code section 408 retirement accounts or annuities as the funding vehicle for providing benefits.
<b>CODE</b>	<b>Defined Contribution Pension Features</b>		
2A	Age/Service Weighted or New Comparability or Similar Plan - Age/Service Weighted Plan: Allocations are based on age, service, or age and service. New Comparability or Similar Plan: Allocations are based on participant classifications and a classification(s) consists entirely or predominantly of highly compensated employees; or the plan provides an additional allocation rate on compensation above a specified threshold, and the threshold or additional rate exceeds the maximum threshold or rate allowed under the permitted disparity rules of Code section 401(l).	2O	ESOP other than a leveraged ESOP - A completed Schedule E must be attached to a Form 5500 filed for an ESOP.
		2P	Leveraged ESOP - An ESOP that acquires employer securities with borrowed money or other debt-financing techniques. A completed Schedule E must be attached to a Form 5500 filed for an ESOP.
		2Q	The employer maintaining this ESOP is an S corporation.
		2R	Participant-directed brokerage accounts provided as an investment option under the plan.

**LIST OF PLAN CHARACTERISTICS CODES FOR LINES 8a AND 8b (Continued)**

<b>CODE</b>	<b>Other Pension Benefit Features</b>	<b>CODE</b>	<b>Welfare Benefit Features</b>
3A	Non-U.S. plan - Pension plan maintained outside the United States primarily for nonresident aliens.	4A	Health (other than dental or vision)
3B	Plan covering Self-Employed individuals.	4B	Life insurance
3C	Plan not intended to be qualified - A plan not intended to be qualified under Code sections 401, 403, or 408.	4C	Supplemental unemployment
3D	Master plan - A pension plan that is made available by a sponsor for adoption by employers; that is the subject of a favorable opinion letter; and for which a single funding medium (for example, a trust or custodial account) is established for the joint use of all adopting employers.	4D	Dental
3E	Prototype plan - A pension plan that is made available by a sponsor for adoption by employers; that is the subject of a favorable opinion or notification letter; and under which a separate funding medium (for example, a separate trust or custodial account) is established for each adopting employer.	4E	Vision
3F	Plan sponsor(s) received services of leased employees, as defined in Code section 414(n), during the plan year.	4F	Temporary disability (accident and sickness)
3G	One-participant plan - A plan without employees as defined in 29 CFR 2510.3-3(b).	4G	Prepaid legal
3H	Plan sponsor(s) is (are) a member(s) of a controlled group (Code sections 414(b), (c), or (m)).	4H	Long-term disability
3I	Plan requiring that all or part of employer contributions be invested and held, at least for a limited period, in employer securities.	4I	Severance pay
		4J	Apprenticeship and training
		4K	Scholarship (funded)
		4L	Death benefits (include travel accident but not life insurance)
		4P	Taft-Hartley Financial Assistance for Employee Housing Expenses
		4Q	Other
		4R	Unfunded, fully insured, or combination unfunded/insured welfare plan that will not file a Form 5500 for next plan year pursuant to 29 CFR 2520.104-20.
		4S	Unfunded, fully insured, or combination unfunded/insured welfare plan that stopped filing Form 5500s in an earlier plan year pursuant to 29 CFR 2520.104-20.
		4T	10 or more employer plan under Code section 419A(f)(6)
		4U	Collectively bargained welfare benefit arrangement under Code section 419A(f)(5)

**Examples:**

1. When filing Form 5500 for a qualified defined benefit pension plan, covered by the PBGC, which provides a benefit of 2% of average annual compensation per year of service with a benefit offset based on benefits from an employer-provided defined contribution plan, check box 8a and enter the codes "1A", "1D" and "1G" in the boxes under box 8a as illustrated below:

- a  Pension benefits (check this box if the plan provides pension benefits and enter the applicable pension feature codes from the List of Plan Characteristics Codes (printed in the instructions) below).

1	A	1	D	1	G								
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2. When filing Form 5500 for a welfare plan providing health insurance, life insurance, dental insurance, and eye examinations, check box 8b and enter the codes "4A", "4B", "4D" and "4E" in the boxes under box 8b as illustrated below:

- b  Welfare benefits (check this box if the plan provides welfare benefits and enter the applicable welfare feature codes from the List of Plan Characteristics Codes (printed in the instructions) below).

4	A	4	B	4	D	4	E						
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3. When filing Form 5500 for a prototype profit-sharing plan with Code section 401(k) features, providing participant direction with voluntary employee contributions and regular employer matching contributions which is intended to meet ERISA section 404(c), and which provides ancillary life insurance, check boxes 8a and 8b and enter the codes "2E", "2F", "2H", "2J", "2K", "3E" and "4B" in the boxes under 8a and 8b as illustrated below:

- a  Pension benefits (check this box if the plan provides pension benefits and enter the applicable pension feature codes from the List of Plan Characteristics Codes (printed in the instructions) below).

2	E	2	F	2	H	2	J	2	K	3	E				
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- b  Welfare benefits (check this box if the plan provides welfare benefits and enter the applicable welfare feature codes from the List of Plan Characteristics Codes (printed in the instructions) below).

4	B												
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## 2003 Instructions for Schedule A (Form 5500)

### Insurance Information

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#### General Instructions

##### Who Must File

**Schedule A**, Insurance Information, must be attached to the Form 5500 filed for every defined benefit pension plan, defined contribution pension plan, and welfare benefit plan if any benefits under the plan are provided by an insurance company, insurance service, or other similar organization (such as Blue Cross, Blue Shield, or a health maintenance organization). This includes investments with insurance companies such as guaranteed investment contracts (GICs).

For example, if Form 5500 line 9a(1), 9a(2), 9b(1), or 9b(2) is checked, indicating that either the plan funding arrangement or plan benefit arrangement includes an account, policy, or contract with an insurance company (or similar organization), at least one Schedule A (Form 5500) would be required to be attached to the Form 5500 filed for a pension or welfare plan to provide information concerning the contract year ending with or within the plan year.

In addition, Schedules A must be attached to a Form 5500 filed for GIAs, MTIAs, and 103-12 IEs for each insurance or annuity contract held in the MTIA, or 103-12 IE or by the GIA. See the Form 5500 instructions for specific requirements for GIAs, MTIAs, and 103-12 IEs.

Do not file Schedule A if: **(1)** the contract is an Administrative Services Only (ASO) contract; **(2)** the Form 5500 is being filed for a plan participating in a MTIA or 103-12 IE for which a Form 5500 is being filed that reports the contract on a Schedule A filed with the MTIA or 103-12 IE Form 5500; or **(3)** the Form 5500 is being filed for a plan that covers only: (A) an individual or an individual and his or her spouse who wholly own a trade or business, whether incorporated or unincorporated; or (B) partners, or partners and one or more of the partners' spouses in a partnership.

Check the Schedule A box on the Form 5500 (Part II, line 10b(3)), and enter the number attached in the space provided if one or more Schedules A are attached to the Form 5500.

**Important Reminder.** *The insurance company (or similar organization) is required to provide the plan administrator with the information needed to complete the return/report, pursuant to ERISA section 103(a)(2). If you do not receive this information in a timely manner, contact the insurance company (or similar organization). If information is missing on Schedule A (Form 5500) due to a refusal to provide information, note this on the Schedule A.*

#### Specific Instructions

Information entered on Schedule A (Form 5500) should pertain to the insurance contract or policy year ending with or within the plan year (for reporting purposes, a year cannot exceed 12 months).

**Example.** If an insurance contract year begins on July 1 and ends on June 30, and the plan year begins on January 1, and ends on December 31, the information on the Schedule A attached to the 2003 Form 5500 should be for the insurance contract year ending on June 30, 2003.

**Exception.** *If the insurance company maintains records on the basis of a plan year rather than a policy or contract year, the information entered on Schedule A (Form 5500) may pertain to the plan year instead of the policy or contract year.*

Include only the contracts issued to or held by the plan, GIA, MTIA or 103-12 IE for which the Form 5500 is being filed.

**Lines A, B, C, and D.** This information should be the same as reported in Part II of the Form 5500 to which this Schedule A is attached. You may abbreviate the plan name (if necessary) to fit in the space provided.

#### Part I - Information Concerning Insurance Contract Coverage, Fees, and Commissions

**Line 1(c).** Enter the code number assigned by the National Association of Insurance Commissioners (NAIC) to the insurance company. If none has been assigned, enter zeros (-0-) in the spaces provided.

**Line 1(d).** If individual policies with the same carrier are grouped as a unit for purposes of this report, and the group does not have one identification number, you may use the contract or identification number of one of the individual contracts provided this number is used consistently to report these contracts as a group and the plan administrator maintains the records necessary to disclose all the individual contract numbers in the group upon request. Use separate Schedules A to report individual contracts that cannot be grouped as a unit.

**Line 1(e).** Since plan coverage may fluctuate during the year, the administrator should estimate the number of persons that were covered by the contract at the end of the policy or contract year. Where contracts covering individual employees are grouped, compute entries as of the end of the plan year.

**Lines 1(f) and (g).** Enter the beginning and ending dates of the policy year for the contract identified in 1(d). Enter "N/A" in 1(f) if separate contracts covering individual employees are grouped.

**Line 2.** List all persons in descending order by the amount of commissions and fees paid. Additional pages may be necessary. You can get additional hand print pages by calling **1-800-TAX-FORM** (1-800-829-3676) and requesting additional schedules.

**Totals.** Enter the total of all commissions and fees paid to persons listed on line 2.

Complete a separate item (elements **(a)** through **(e)**) for each person. Enter the name and address of the person identified in element **(a)** and complete elements **(b)** through **(e)** for each person as specified below.

**Element (b).** Report all sales commissions regardless of the identity of the recipient. Do not report override commissions, salaries, bonuses, etc., paid to a general agent or manager for managing an agency, or for performing other administrative functions.

**Element (c).** Fees to be reported represent payments by insurance carriers to agents, brokers and other persons for items other than commissions (e.g., service fees, consulting fees, and finders fees). Fees paid by insurance carriers to persons other than agents and brokers should be reported here, **not** in Parts II and III on Schedule A as acquisition costs, administrative charges, etc. For plans, GIAs, MTIAs and 103-12 IEs required to file Part I of Schedule C, fees paid by employee benefit plans or these DFEs to agents, brokers, and other persons are also to be reported on Schedule C (Form 5500), unless the only compensation in relation to the plan or DFE consists of insurance fees and commissions listed on the Schedule A.



*For purposes of line 2, commissions and fees include amounts paid by an insurance company on the basis of the aggregate value (e.g., policy amounts, premiums) of contracts or policies (or classes thereof) placed or retained. The amount (or pro rata share of the total) of such commissions or fees attributable to the contract or policy placed with or retained by the plan must be reported in element **(b)** or **(c)**, as appropriate.*

**Element (e).** Enter the most appropriate code.

**Code Type of Organization**

- 1** Banking, Savings & Loan Association, Credit Union or other similar financial institution
- 2** Trust Company
- 3** Insurance Agent or Broker
- 4** Agent or Broker other than insurance
- 5** Third party administrator
- 6** Investment Company/Mutual Fund
- 7** Investment Manager/Adviser
- 8** Labor Union
- 9** Foreign entity (e.g., an agent or broker, bank, insurance company, etc., not operating within the jurisdictional boundaries of the United States)
- 0** Other

**Part II - Investment and Annuity Contract Information**

**Line 3.** Enter the current value of the plan's interest at year end in the contract reported on line 6, e.g., deposit administration (DA), immediate participation guarantee (IPG), or guaranteed investment contracts (GIC).

**Exception.** *Contracts reported on line 6 need not be included on line 3 if (1) the Schedule A is filed for a defined benefit pension plan and the contract was entered into before March 20, 1992, or (2) the Schedule A is filed for a defined contribution pension plan and the contract is a fully benefit-responsive*

*contract, i.e., it provides a liquidity guarantee by a financially responsible third party of principal and previously accrued interest for liquidations, transfers, loans, or hardship withdrawals initiated by plan participants exercising their rights to withdraw, borrow, or transfer funds under the terms of a defined contribution plan that do not include substantial restrictions to participants' access to plan funds.*

**Line 5a.** The rate information called for here may be furnished by attaching the appropriate schedules of current rates filed with the appropriate state insurance department or by providing a statement regarding the basis of the rates. Enter "see attached" if appropriate.

**Lines 6a through 6f.** Report contracts with unallocated funds. Do not include portions of these contracts maintained in separate accounts. Show deposit fund amounts rather than experience credit records when both are maintained.

**Part III - Welfare Benefit Contract Information**

**Line 7i.** Report a stop-loss insurance policy that is an asset of the plan.

**Note.** *Employers sponsoring welfare plans may purchase a stop loss insurance policy with the employer as the insured to help the employer manage its risk associated with its liabilities under the plan. These employer contracts with premiums paid exclusively out of the employer's general assets without any employee contributions generally are not plan assets and are not reportable on Schedule A.*

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## 2003 Instructions for Schedule B (Form 5500) Actuarial Information

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### General Instructions

#### Who Must File

The employer or plan administrator of a defined benefit plan that is subject to the minimum funding standards (see Code section 412 and Part 3 of Title I of ERISA) must file this schedule as an attachment to the Form 5500 or Form 5500-EZ. The Schedule B does not have to be filed if Form 5500-EZ is not required to be filed (in accordance with the instructions for Form 5500-EZ); however, the funding standard account for the plan must continue to be maintained, even if the Schedule B is not filed.

If a money purchase defined contribution plan (including a target benefit plan) has received a waiver of the minimum funding standard, and the waiver is currently being amortized, lines 3, 9, and 10 of Schedule B must be completed. The Schedule B must be attached to Form 5500 but it need not be signed by an enrolled actuary.

Check the Schedule B box on the Form 5500 (Part II, line 10a(3)) if a Schedule B is attached to the Form 5500.

Lines A through E and G (most recent enrollment number) **must** be completed for ALL plans. If the Schedule B is attached to a Form 5500, lines A, B, C, and D should include the same information as reported in Part II of the Form 5500. You may abbreviate the plan name (if necessary) to fit in the space provided.

Check the box in line F if the plan has 100 or fewer participants in the prior plan year. A plan has 100 or fewer participants in the prior plan year only if there were 100 or fewer participants (both active and nonactive) on each day of the preceding plan year, taking into account participants in all defined benefit plans maintained by the same employer (or any member of such employer's controlled group) who are also employees of that employer or member. Nonactive participants include vested terminated and retired employees.

All defined benefit plans, regardless of size or type, **must** complete and file Part I. Part II **must** be filed for all plans other than those specified in **1** and **2** below:

1. Part II should not be filed for multiemployer plans for which box 2 in line E is checked.
2. Part II should not be filed for plans that have 100 or fewer participants in the prior plan year as described above.

In addition, please note that "TRA '97" refers to the Taxpayer Relief Act of 1997, "RPA '94" refers to the Retirement Protection Act of 1994 and that "OBRA '87" refers to the Omnibus Budget Reconciliation Act of 1987.

**Note.** (1) For split-funded plans, the costs and contributions reported on Schedule B should include those relating to both trust funds and insurance carriers. (2) For plans with funding standard account amortization charges and credits see the instructions for lines 9c, 9j, and 12j, as applicable, regarding attachment. (3) For terminating plans, Rev. Rul. 79-237, 1979-2 C.B. 190, provides that minimum funding standards apply until the end of the plan year that includes the termination date. Accordingly, the Schedule B is not required to be filed for any later plan year. However, if a termination fails to occur — whether because assets remain in the plan's related trust (see Rev. Rul. 89-87, 1989-2 C.B. 81) or for any other reason (e.g., the PBGC issues a notice of noncompliance pursuant to 29 CFR section 4041.31 for a standard termination) — there is no termination date, and therefore, minimum funding standards continue to apply and a Schedule B continues to be required.

### Statement by Enrolled Actuary

An enrolled actuary must sign Schedule B. The signature of the enrolled actuary may be qualified to state that it is subject to attached qualifications. See Treasury Regulation section 301.6059-1(d) for permitted qualifications. If the actuary has not fully reflected any final or temporary regulation, revenue ruling or notice promulgated under the statute in completing the Schedule B, check the box on the last line of page 1. If this box is checked, indicate on an attachment whether an accumulated funding deficiency or a contribution that is not wholly deductible would result if the actuary had fully reflected such regulation, revenue ruling, or notice and label this attachment, "**Schedule B – Statement by Enrolled Actuary.**" A stamped or machine produced signature is not acceptable. The most recent enrollment number must be entered in line G. In addition, the actuary may offer any other comments related to the information contained in Schedule B.

### Attachments

All attachments to the Schedule B must be properly identified, and must include the name of the plan, plan sponsor's EIN, and plan number. Put "Schedule B" and the line item to which the schedule relates at the top of each attachment. When assembling the package for filing, you can place attachments for a schedule either directly behind that schedule or at the end of the filing.

### Specific Instructions for Part I

**Line 1.** All entries must be reported as of the valuation date.

**Line 1a. Actuarial Valuation Date.** The valuation for a plan year may be as of any date in the plan year, including the first or last day of the plan year. Valuations must be performed within the period specified by ERISA section 103(d) and Code section 412(c)(9).

**Line 1b(1). Current Value of Assets.** Enter the current value of assets as of the valuation date. The current value is the same as the fair market value. Do not adjust for items such as the existing credit balance or the outstanding balances of certain amortization bases. Contributions designated for 2003 should not be included in this amount. Note that this entry may be different from the entry in line 2a. Such a difference may result, for example, if the valuation date is not the first day of the plan year, or if insurance contracts are excluded from assets reported on line 1b(1) but not on line 2a.

Rollover amounts or other assets held in individual accounts that are not available to provide defined benefits under the plan should not be included on line 1(b)(1) regardless of whether they are reported on the 2003 Schedule H (Form 5500) (line 11, column (a)) or Schedule I (Form 5500) (line 1c, column (a)), or, alternatively, the 2003 Form 5500-EZ (line 11a, column (a): total assets at the beginning of the year). Additionally, asset and liability amounts must be determined in a consistent manner. Therefore, if the value of any insurance contracts have been excluded from the amount reported on line 1b(1), liabilities satisfied by such contracts should also be excluded from the liability values reported on lines 1c(1), 1c(2), 1d(2), and 1d(3).

**Line 1b(2). Actuarial Value of Assets.** Enter the value of assets determined in accordance with Code section 412(c)(2) or ERISA section 302(c)(2). Do not adjust for items such as the existing credit balance or the outstanding balances of certain amortization bases, and do not include contributions designated for 2003 in this amount.

**Line 1c(1). Accrued Liability for Immediate Gain Methods.** Complete this line only if you use an immediate gain method (see Rev. Rul. 81-213, 1981-2 C.B. 101, for a definition of immediate gain method).

**Lines 1c(2)(a), (b), and (c). Information for Plans Using Spread Gain Methods.** Complete these lines only if you use a spread gain method (see Rev. Rul. 81-213 for a definition of spread gain method).

**Line 1c(2)(a). Unfunded Liability for Methods with Bases.**

Complete this line only if you use the frozen initial liability or attained age normal cost method.

**Lines 1c(2)(b) and (c). Entry Age Normal Accrued Liability and Normal Cost.** For spread gain methods, the full funding limitation is calculated using the entry age normal method (see Rev. Rul. 81-13, 1981-1 C.B. 229).

**Line 1d(1). Amount Excluded from Current Liability.** In computing current liability for purposes of Code section 412(l) (but not for purposes of section 412(c)(7)), certain service is disregarded under Code section 412(l)(7)(D) and ERISA section 302(d)(7)(D). If the plan has participants to whom those provisions apply, only a percentage of the years of service before such individuals became participants in the plan is taken into account. Enter the amount excluded from "RPA '94" current liability. If an employer has made an election under section 412(l)(7)(D)(iv) not to disregard such service, enter zero. Note that such an election, once made, cannot be revoked without the consent of the Secretary of the Treasury.

**Lines 1d(2)(a) and 1d(3)(a). "RPA '94" Current Liability and "OBRA '87" Current Liability.** All plans regardless of the number of participants must provide the information indicated in accordance with these instructions. The interest rate used to compute the "RPA '94" current liability must be in accordance with guidelines issued by the IRS, using the 90% to 105% interest rate corridor of Code section 412(l)(7)(C)(i) for plan years beginning in 2003. However, a special rule under Code section 412(l)(7)(C)(i)(III) allows a rate up to 120% to be used for the 2003 plan year.

The "RPA '94" current liability must be computed using the 1983 G.A.M. mortality table for non-disabled lives published in Rev. Rul. 95-28, 1995-1 C.B. 74, and may be computed taking into account the mortality tables for disabled lives published in Rev. Rul. 96-7, 1996-1 C.B. 59. The "OBRA '87" current liability is the current liability as defined in Code section 412(l)(7), but computed without regard to the limitation on the interest rate and prescribed mortality tables provided in section 412(l)(7)(C) as enacted by "RPA '94." See Q&A-9(1) of Rev. Rul. 96-21, 1996-1 C.B. 64, for the specific circumstances under which the "OBRA '87" current liability interest rate may be different from the "RPA '94" current liability interest rate.

Each other actuarial assumption used in calculating the "RPA '94" and "OBRA '87" current liabilities must be the same assumptions used for calculating other costs for the funding standard account. See Notice 90-11, 1990-1 C.B. 319. The actuary must take into account rates of early retirement and the plan's early retirement and turnover provisions as they relate to benefits, where these would significantly affect the results. Regardless of the valuation date, "RPA '94" and "OBRA '87" current liabilities are computed taking into account only credited service through the end of the prior plan year. No salary scale projections should be used in these computations. Do not include the expected increase in current liability due to benefits accruing during the plan year reported in lines 1d(2)(b) and 1d(3)(b) in these computations.

**Lines 1d(2)(b) and 1d(3)(b). Expected Increase in Current Liability.** Enter the amounts by which the "RPA '94" and "OBRA '87" current liabilities are expected to increase due to benefits accruing during the plan year on account of credited service and/or salary changes for the current year. One year's salary scale may be reflected.

**Line 1d(2)(c). Current Liability Computed at Highest Allowable Interest Rate.** Enter the current liability computed using the highest allowable interest rate (120% of the weighted average interest rate). All other assumptions used should be identical to those used for lines 1d(2)(a) and (b). It is not necessary to complete line 1d(2)(c) if the plan is a multiemployer plan or if the plan had 100 or fewer participants in the prior plan year. Whether or not a plan had 100 or fewer participants in the prior plan year is determined according to the instructions under the **Who Must File** discussion for Schedule

B. This line need not be completed if the actuarial value of assets (line 1b(2)) divided by the "RPA '94" current liability (line 1d(2)(a)) is greater than or equal to 90%. However, if this line is not completed, sufficient records should be retained so that the current liability amount that would otherwise have been entered on this line can be computed at a later time if required.

**Lines 1d(2)(d) and 1d(3)(c).** Do not complete these lines if Code section 412(l) does not apply to the plan for this plan year under Code sections 412(l)(1), 412(l)(6), or 412(l)(9).

**Line 1d(2)(d). Expected Release from "RPA '94" Current Liability for the Plan Year.** Enter the expected release from "RPA '94" current liability on account of disbursements (including single sum distributions) from the plan expected to be paid after the valuation date but prior to the end of the plan year (see also Q&A-7 of Rev. Rul. 96-21).

**Line 1d(3)(c). Expected Release from "OBRA '87" Current Liability for the Plan Year.** Enter the expected release from "OBRA '87" current liability on account of disbursements (including single sum distributions) from the plan expected to be paid after the valuation date but prior to the end of the plan year (see also Q&A-7 of Rev. Rul. 96-21).

**Line 1d(4). Expected Plan Disbursements.** Enter the amount of plan disbursements expected to be paid for the plan year.

**Line 2.** All entries must be reported as of the beginning of the 2003 plan year. Lines 2a and 2b should include all assets and liabilities under the plan except for assets and liabilities attributable to: (1) rollover amounts or other amounts in individual accounts that are not available to provide defined benefits, or (2) benefits for which an insurer has made an irrevocable commitment as defined in 29 CFR 4001.2. The pre-participation service phase-in of Internal Revenue Code section 412(l)(7)(D) and ERISA section 302(d)(7)(D) will apply in computing the liabilities shown in line 2b, unless the employer has made an election under Code section 412(l)(7)(D)(iv).

**Line 2a. Current Value of Assets.** Enter the current value of net assets as of the first day of the plan year. Except for plans with excluded assets as described above, this entry should be the same as reported on the 2003 Schedule H (Form 5500) (line 1l, column (a)) or Schedule I (Form 5500) (line 1c, column (a)), or, alternatively, the 2003 Form 5500-EZ (line 11a, column (a): total assets at the beginning of the year). Note that contributions designated for the 2003 plan year are not included on those lines.

**Line 2b. "RPA '94" Current Liability (beginning of plan year).** Enter the "RPA '94" current liability as of the first day of the plan year. Do not include the expected increase in current liability due to benefits accruing during the plan year. See the instructions for lines 1d(2)(a) and 1d(3)(a) for actuarial assumptions used in determining "RPA '94" current liability.

**Column (1)**—Enter the number of participants and beneficiaries as of the beginning of the plan year. If the current liability figures are derived from a valuation that follows the first day of the plan year, the participant and beneficiary count entries should be derived from the counts used in that valuation in a manner consistent with the derivation of the current liability reported in columns (2) and (3).

**Column (2)**—Include only the portion of the current liability attributable to vested benefits.

**Column (3)**—Include the current liability attributable to all benefits, both vested and nonvested.

**Line 2c.** This calculation is required under ERISA section 103(d)(11). Do not complete if line 2a divided by line 2b(4), column (3), is 70% or greater.

**Line 3. Contributions Made to Plan.** Show all employer and employee contributions for the plan year. Include employer contributions made not later than 2½ months (or the later date allowed under Code section 412(c)(10) and ERISA section 302(c)(10)) after the end of the plan year. Show only contributions actually made to the plan by the date Schedule B



is signed. Certain employer contributions must be made in quarterly installments. See Code section 412(m). Note that contributions made to meet the liquidity requirement of Code section 412(m)(5) should be reported.

Add the amounts in both columns (b) and (c) and enter both results on the total line. All contributions must be credited toward a particular plan year.

**Line 4a. Quarterly Contributions.** In accordance with “RPA ’94,” only plans that have a funded current liability percentage (as provided in Rev. Rul. 95-31, 1995-1 C.B. 76) for the preceding plan year of less than 100 percent are subject to the quarterly contribution requirement of Code section 412(m) and ERISA section 302(e). For 2003, the funded current liability percentage for the preceding plan year is equal to line 1b(2) (actuarial value of assets) divided by line 1d(2)(a) (“RPA ’94” current liability), both lines as reported on the 2002 Schedule B (Q&A-3, 4 and 5 of Rev. Rul. 95-31, also provide guidance on this computation), except that 120% of the weighted average interest rate could be used for the 2002 1d(2)(a) calculation if the special rule under Code section 412(l)(7)(C)(i)(III) is being used for the 2003 plan year. If line 1d(2)(a) is zero for 2002 or if Box B(1) of Part I of Form 5500 is checked, enter 100%.

**Line 4b.** Multiemployer plans, plans with funded current liability percentages (as provided in Code section 412(m)(1)) of 100 percent or more for the preceding plan year, and plans that on every day of the preceding plan year had 100 or fewer participants (as defined under the **Who Must File** discussion for Schedule B) are not subject to the liquidity requirement of Code section 412(m)(5) and ERISA section 302(e)(5) and should not complete this line. See Q&As 7 through 17 of Rev. Rul. 95-31 for guidance on the liquidity requirement. Note that a certification by the enrolled actuary must be attached if the special rule for nonrecurring circumstances is used and label the certification, “**Schedule B, line 4b – Liquidity Requirement Certification**” (see Code section 412(m)(5)(E)(ii)(II) and Q&A-13 of Rev. Rul. 95-31).

If the plan has a liquidity shortfall for any quarter of the plan year (see Q&A-10 of Rev. Rul. 95-31), enter the amount of the liquidity shortfall for each such quarter. If the plan was subject to the liquidity requirement, but did not have a liquidity shortfall, enter zero. File **Form 5330**, Return of Excise Taxes Related to Employee Benefit Plans, with the IRS to pay the 10% excise tax(es) if there is a failure to pay the liquidity shortfall by the required due date, unless a waiver of the 10% tax under Code section 4971(f) has been granted.

**Line 5. Actuarial Cost Method.** Enter only the primary method used. If the plan uses one actuarial cost method in one year as the basis of establishing an accrued liability for use under the frozen initial liability method in subsequent years, answer as if the frozen initial liability method was used in all years. The projected unit credit method is included in the “Accrued benefit (unit credit)” category of line 5c. If a method other than a method listed in lines 5a through 5g is used, check the box for line 5h and specify the method. For example, if a modified individual level premium method for which actuarial gains and losses are spread as a part of future normal cost is used, check the box for 5h and describe the cost method. For the shortfall method, check the appropriate box for the underlying actuarial cost method used to determine the annual computation charge.

Changes in funding methods include changes in actuarial cost method, changes in asset valuation method, and changes in the valuation date of plan costs and liabilities or of plan, assets. Changes in the funding method of a plan include not only changes to the overall funding method used by the plan, but also changes to each specific method of computation used in applying the overall method. Generally, these changes require IRS approval. If the change was made pursuant to Rev. Proc. 2000-40, 2000-2 C.B. 357, check “Yes” in line 5j. If approval was granted by either an individual ruling letter or a class ruling letter for this plan, enter the date of the applicable ruling letter in line 5k. Note that the plan sponsor’s agreement

to a change in funding method (made pursuant to Rev. Proc. 2000-40 or a class ruling letter) should be reported on line 7 of Schedule R (Form 5500).

**Line 6. Actuarial Assumptions.** If gender-based assumptions are used in developing plan costs, enter those rates where appropriate in line 6. Note that requests for gender-based cost information do not suggest that gender-based benefits are legal. If unisex tables are used, enter the values in both “Male” and “Female” lines. Complete all blanks. Check “N/A” if not applicable.

Attach a statement of actuarial assumptions (if not fully described by line 6), and actuarial methods used to calculate the figures shown in lines 1 and 9 (if not fully described by line 5), and label the statement, “**Schedule B, line 6 – Statement of Actuarial Assumptions/Methods.**”

Also attach a summary of the principal eligibility and benefit provisions on which the valuation was based, an identification of benefits not included in the valuation, a description of any significant events that occurred during the year, a summary of any changes in principal eligibility or benefit provisions since the last valuation, a description (or reasonably representative sample) of plan early retirement factors, and any change in actuarial assumptions or cost methods and justifications for any such change (see section 103(d) of ERISA), and label the summary, “**Schedule B, line 6 – Summary of Plan Provisions.**”

Also, include any other information needed to disclose the actuarial position of the plan fully and fairly.

**Line 6a(1). “RPA ’94” Current Liability Interest Rate.** Enter the interest rate used to determine “RPA ’94” current liability. Generally, the interest rate used must not fall outside the corridor of 90% to 105% of the weighted average interest rate (See Code section 412(l)(7)(C)(i)). However, a special rule under Code section 412(l)(7)(C)(i)(III) allows a rate up to 120% to be used for the 2003 plan year. The rate used must be in accordance with the guidelines issued by the IRS. See Notice 90-11 and Rev. Rul. 96-21. Enter rate to the nearest .01 percent.

**Line 6a(2). “OBRA ’87” Current Liability Interest Rate.** Enter the interest rate used to determine “OBRA ’87” current liability. The interest rate used must not fall outside the corridor of 90% to 110% of the weighted average interest rate. The rate used must be in accordance with the guidelines issued by the IRS. See Notice 90-11 and Rev. Rul. 96-21. Enter rate to the nearest .01 percent.

**Line 6b. Weighted Average Retirement Age.** If each participant is assumed to retire at his/her normal retirement age, enter the age specified in the plan as normal retirement age. If the normal retirement age differs for individual participants, enter the age that is the weighted average normal retirement age; do not enter “NRA.” Otherwise, enter the assumed retirement age. If the valuation uses rates of retirement at various ages, enter the nearest whole age that is the weighted average retirement age. On an attachment to Schedule B, list the rate of retirement at each age and describe the methodology used to compute the weighted average retirement age, including a description of the weight applied at each potential retirement age, and label the list “**Schedule B, line 6b – Description of Weighted Average Retirement Age.**”

**Line 6c.** Check “Yes,” if the rates in the contract were used (e.g., purchase rates at retirement).

**Line 6d. Mortality Table.** The 1983 G.A.M. mortality table published in Rev. Rul. 95-28 must be used in the calculation of “RPA ’94” current liability for non-disabled lives. The mortality tables published in Rev. Rul. 96-7 may be used in the calculation of “RPA ’94” current liability for disabled lives. Enter the mortality table code for non-disabled lives used for “OBRA ’87” current liability (see instructions for lines 1d(2)(a) and 1d(3)(a)) and for valuation purposes as follows:

Mortality Table	Code
1951 Group Annuity . . . . .	1
1971 Group Annuity Mortality (G.A.M.) . . . . .	2
1971 Individual Annuity Mortality (I.A.M.) . . . . .	3
UP-1984 . . . . .	4
1983 I.A.M. . . . .	5
1983 G.A.M. . . . .	6
1983 G.A.M. (solely per Rev. Rul. 95-28) . . . . .	7
UP-1994 . . . . .	8
Other . . . . .	9
None . . . . .	0

Code 6 includes all sex-distinct versions of the 1983 G.A.M. table other than the table published in Rev. Rul. 95-28. Thus, for example, Code 6 also would include the 1983 G.A.M. male-only table used for males, where the 1983 G.A.M. male-only table with a 6-year setback is used for females. Code 9 includes mortality tables other than those listed in Codes 1 through 8, including any unisex version of the 1983 G.A.M. table.

Where an indicated table consists of separate tables for males and females, add F to the female table (e.g., 1F). When a projection is used with a table, follow the code with "P" and the year of projection (omit the year if the projection is unrelated to a single calendar year); the identity of the projection scale should be omitted. When an age setback or set forward is used, indicate with "." or "+" and the number of years. For example, if for females the 1951 Group Annuity Table with Projection C to 1971 is used with a 5-year setback, enter "1P71-5." If the table is not one of those listed, enter "9" with no further notation. If the valuation assumes a maturity value to provide the post-retirement income without separately identifying the mortality, interest and expense elements, under "post-retirement," enter on line 6d the value of \$1.00 of monthly pension beginning at the age shown on line 6b, assuming the normal form of annuity for an unmarried person; in this case check "N/A" on lines 6e and 6f.

**Line 6e. Valuation Liability Interest Rate.** Enter the assumption as to the expected interest rate (investment return) used to determine all the calculated values except for current liability and liabilities determined under the alternative funding standard account (see instructions for line 8b). If the assumed rate varies with the year, enter the weighted average of the assumed rate for 20 years following the valuation date. Enter rates to the nearest .01 percent.

**Line 6f. Expense Loading.** If there is no expense loading, enter -0-. For instance, there would be no expense loading attributable to investments if the rate of investment return on assets is adjusted to take investment expenses into account. If there is a single expense loading not separately identified as pre-retirement or post-retirement, enter it under pre-retirement and check "N/A" under post-retirement. Where expenses are assumed other than as a percentage of plan costs or liabilities, enter the assumed pre-retirement expense as a percentage of the plan's normal cost, and enter the post-retirement expense as a percentage of plan liabilities. If the normal cost of the plan is zero, enter the assumed pre-retirement expense as a percentage of the sum of the lines 9c(1) and 9c(2), minus line 9j. Enter rates to the nearest .1 percent.

**Line 6g. Annual Withdrawal Rates.** Enter rates to the nearest .01 percent. Enter the rate assumed for a new entrant to the plan at the age shown. Enter "S" before the rate if that rate is different for participants with the same age but longer service. Enter "U" before the rate if all participants of that age are assumed to experience the same withdrawal rates, regardless

of service. Enter "C" before the rate if criteria other than service apply to the rates used.

**Line 6h. Salary Scale.** If a uniform level annual rate of salary increase is used, enter that annual rate. Otherwise, enter the level annual rate of salary increase that is equivalent to the rate(s) of salary increase used. Enter the annual rate as a percentage to the nearest .01 percent, used for a participant from age 25 to assumed retirement age. If the plan's benefit formula is not related to compensation, check "N/A."

**Line 6i. Estimated Investment Return.** Enter the estimated rate of return on the actuarial value of plan assets for the 1-year period ending on the valuation date. For this purpose, the rate of return is determined by using the formula  $2I/(A + B - I)$ , where I is the dollar amount of the investment return under the asset valuation method used for the plan, A is the actuarial value of the assets one year ago, and B is the actuarial value of the assets on the current valuation date. Enter rates to the nearest .1 percent. If entering a negative number, enter a minus sign "-" to the left of the number.

**Note.** Use the above formula even if the actuary feels that the result of using the formula does not represent the true estimated rate of return on the actuarial value of plan assets for the 1-year period ending on the valuation date. The actuary may attach a statement showing both the actuary's estimate of the rate of return and the actuary's calculations of that rate and label the statement, "Schedule B, line 6i – Estimated Rate of Investment Return."

**Line 7. New Amortization Bases Established.** List all new amortization bases established in the current plan year (before the combining of bases, if bases were combined). Use the following table to indicate the type of base established, and enter the appropriate code under "Type of Base." List amortization bases and charges and/or credits as of the valuation date. Bases that are considered fully amortized because there is a credit for the plan year on line 9l(4) should be listed. If entering a negative number, enter a minus sign "-" to the left of the number.

Code	Type of Amortization Base
1	Experience gain or loss
2	Shortfall gain or loss
3	Change in unfunded liability due to plan amendment
4	Change in unfunded liability due to change in actuarial assumptions
5	Change in unfunded liability due to change in actuarial cost method
6	Waiver of the minimum funding standard
7	Switchback from alternative funding standard account
8	Initial unfunded liability (for new plan)
9	170% current liability full funding limitation base

**Line 8a. Funding Waivers or Extensions.** If a funding waiver or extension request is approved after the Schedule B is filed, an amended Schedule B should be filed with Form 5500 to report the waiver or extension approval (also see instructions for line 9m(1)).

**Line 8b. Alternative Methods or Rules.** Enter the appropriate code from the table below if one or more of the alternative methods or rules were used for this plan year.

Code	Method or Rule
1	Shortfall method
2	Alternative funding standard account (AFSA)
3	Shortfall method used with AFSA
4	Plan is in reorganization status
5	Shortfall method used when in reorganization status

**Schedule B, Line 8c—Schedule of Active Participant Data**

Attained Age	YEARS OF CREDITED SERVICE									40 & up		
	Under 1			1 to 4			5 to 9					
	No.	Average		No.	Average		No.	Average		No.	Average	
	Comp.	Cash Bal.	Comp.	Cash Bal.	Comp.	Cash Bal.	Comp.	Cash Bal.	Comp.	Cash Bal.		
Under 25												
25 to 29												
30 to 34												
35 to 39												
40 to 44												
45 to 49												
50 to 54												
55 to 59												
60 to 64												
65 to 69												
70 & up												

**Shortfall Method:** Only certain collectively bargained plans may elect the shortfall funding method (see regulations under Code section 412). Advance approval from the IRS for the election of the shortfall method of funding is NOT required if it is first adopted for the first plan year to which Code section 412 applies. However, advance approval from the IRS is required if the shortfall funding method is adopted at a later time, if a specific computation method is changed, or if the shortfall method is discontinued.

**Alternative Minimum Funding Standard Account:** A worksheet must be attached if the alternative minimum funding standard account is used and be labeled, **“Schedule B, line 8b – Alternative Minimum Funding Standard Account.”** The worksheet should show:

1. The prior year alternate funding deficiency (if any).
2. Normal cost.
3. Excess, if any, of the value of accrued benefits over the market value of assets.
4. Interest on 1, 2, and 3 above.
5. Employer contributions (total from columns (b) of line 3 of Schedule B).
6. Interest on 5 above.
7. Funding deficiency: if the sum of 1 through 4 above is greater than the sum of 5 and 6 above, enter the difference.

If the entry age normal cost method was not used as the valuation method, the plan may not switch to the alternative minimum funding standard account for this year. Additionally, in line 3 of the worksheet, the value of accrued benefits should exclude benefits accrued for the current plan year. The market value of assets should be reduced by the amount of any contributions for the current plan year.

**Reorganization Status:** Attach an explanation of the basis for the determination that the plan is in reorganization for this plan year and label the explanation, **“Schedule B, line 8b – Reorganization Status Explanation.”** Also, attach a worksheet showing for this plan year:

1. The amounts considered contributed by employers,
2. Any amount waived by the IRS,
3. The development of the minimum contribution requirement (taking into account the applicable overburden credit, cash-flow amount, contribution bases and limitation on required increases on the rate of employer contributions), and
4. The resulting accumulated funding deficiency, if any, which is to be reported on line 9p.

Label the worksheet, **“Schedule B, line 8b – Reorganization Status Worksheet.”**

**Line 8c.** All multiemployer plans check “No.” Plans other than multiemployer plans check “Yes” only if (a) the plan is covered by Title IV of ERISA and (b) the plan has active participants.

If line 8c is “Yes,” attach a schedule of the active plan participant data used in the valuation for this plan year. Use the same size paper as the Schedule B and the format shown above and label the schedule **“Schedule B, Line 8c – Schedule of Active Participant Data.”**

Expand this schedule by adding columns after the “5 to 9” column and before the “40 & up” column for active participants with total years of credited service in the following ranges: 10 to 14; 15 to 19; 20 to 24; 25 to 29; 30 to 34; and 35 to 39. For each column, enter the number of active participants with the specified number of years of credited service divided according to age group. For participants with partial years of credited service, round the total number of years of credited service to the next lower whole number. Years of credited service are the years credited under the plan’s benefit formula.

Plans reporting 1,000 or more active participants on line 2b(3) must also provide average compensation data. For each grouping, enter the average compensation of the active participants in that group. For this purpose, compensation is the compensation taken into account for each participant under the plan’s benefit formula, limited to the amount defined under section 401(a)(17) of the Code. Do not enter the average compensation in any grouping that contains fewer than 20 participants.

Cash balance plans reporting 1,000 or more active participants on line 2b(3) must also provide average cash balance account data. For each grouping, enter the average cash balance account of the active participants in that group. Do not enter the average cash balance account in any grouping that contains fewer than 20 participants.

If the plan is a multiple-employer plan, complete one or more schedules of active-participant data in a manner consistent with the computations for the funding requirements reported on line 9. See the specific instructions for **Lines 9a through 9q.** For example, if the funding requirements are computed as if each participating employer maintained a separate plan, attach a separate schedule for each participating employer in the multiple-employer plan.

**Line 9. Shortfall Method.** Under the shortfall method of funding, the normal cost in the funding standard account is the charge per unit of production (or per unit of service) multiplied by the actual number of units of production (or units of service) that occurred during the plan year. Each amortization installment in the funding standard account is similarly calculated.

**Lines 9a through 9q. Multiple Employer Plans.** If the plan is a multiple employer plan subject to the rules of Code section 413(c)(4)(A) for which minimum funding requirements are to be computed as if each employer were maintaining a separate plan, complete one Schedule B for the plan. Also submit an

attachment completed in the same format as lines 9a through 9q showing, for this plan year, for each individual employer maintaining the plan, the development of the minimum contribution requirement and label the attachment, **“Schedule B, lines 9a through 9q – Development of Minimum Contribution Requirement for Each Individual Employer”** (taking into account the applicable normal cost, amortization charges and credits, and all other applicable charges or credits to the funding standard account that would apply if the employer were maintaining a separate plan). Compute the entries on Schedule B, except for the entries on lines 9a, 9h, 9o, and 9p, as the sum of the appropriate individual amounts computed for each employer. Compute the entry on line 9a as the sum of the prior year’s funding deficiency, if any, for each individual employer and the entry on line 9p as the sum of the separately computed funding deficiency, if any, for the current year for each employer. Credit balance amounts on lines 9h and line 9o are separately computed in the same manner. (Note that it is possible for the Schedule B to show both a funding deficiency and a credit balance for section 413(c) plans. This could not appear for other plans.)

**Lines 9c and 9j. Amortization Charges and Credits.** If there are any amortization charges or credits, attach a maintenance schedule of funding standard account bases, and label the schedule, **“Schedule B, lines 9c and 9j – Schedule of Funding Standard Account Bases.”** The attachment should clearly indicate the type of base (i.e., original unfunded liability, amendments, actuarial losses, etc.), the outstanding balance of each base, the number of years remaining in the amortization period, and the amortization amount. If bases were combined in the current year, the attachment should show information on bases both prior to and after the combining of bases.

The outstanding balance and amortization charges and credits must be calculated as of the valuation date for the plan year.

**Line 9c(1). 170% Current Liability Full Funding Limitation Base.** If a credit was entered on line 9l(5) on the prior year’s Schedule B, establish a new base equal to the amount of the credit (increased with interest to the current valuation date at the valuation rate) and amortize the base over a 20-year period at the valuation rate.

**Note.** *No current liability full funding limitation bases are established under the funding methods that do not provide for amortization bases (see Q&A-3 of Rev. Rul. 2000-20, 2000-1 C.B.880).*

**Line 9c(2).** Amortization for funding waivers must be based on the interest rate provided in Section 412(d) (“mandated rate”).

**Line 9d. Interest as Applicable.** Interest as applicable should be charged to the last day of the plan year. The mandated rates must be used when calculating interest on any amortization charges for funding waivers.

**Line 9e.** If the funded current liability percentage for the preceding year reported in line 4a is at least 100%, quarterly contributions are not required for the current plan year.

Interest is charged for the entire period of underpayment. Refer to IRS Notice 89-52, 1989-1 C.B. 692, for a description of how this amount is calculated.

**Note.** *Notice 89-52 was issued prior to the amendment of section 412(m)(1) by the Revenue Reconciliation Act of 1989. Rather than using the rate in the Notice, the applicable interest rate for this purpose is the greater of:*

1. 175% of the Federal mid-term rate at the beginning of the plan year,
2. The rate used to determine the “RPA '94” current liability, or
3. The valuation rate.

*All other descriptions of the additional interest charge contained in Notice 89-52 still apply.*

**Line 9f.** Enter the required additional funding charge from line 12q. Check “N/A” if line 12 is not applicable.

**Line 9h.** Note that the credit balance or funding deficiency at the end of “Year X” should be equal to the credit balance or funding deficiency at the beginning of “Year X+1.” If such credit balances or funding deficiencies are not equal, attach an explanation and label the attachment, **“Schedule B, line 9h – Explanation of Prior year Credit Balance/Funding Deficiency Discrepancy.”** For example, if the difference is because contributions for a prior year that were not previously reported are received this plan year, attach a listing of the amounts and dates of such contributions.

**Line 9l(1). ERISA Full Funding Limitation.** Instructions for this line are reserved pending published guidance.

**Line 9l(2). 170% Current Liability Full Funding Limitation.** Instructions for this line are reserved pending published guidance.

**Line 9l(3). “RPA '94” Override.** Instructions for this line are reserved pending published guidance.

**Line 9l(4). Full Funding Credit before reflecting “OBRA '87” Full Funding Limitation.** Enter the excess of (1) the accumulated funding deficiency, disregarding the credit balance and contributions for the current year, if any, over (2) the greater of lines 9l(1) or 9l(3).

**Line 9l(5). Additional Credit due to “OBRA '87” Full Funding Limitation.** Enter (1) the excess, if any, of the accumulated funding deficiency, disregarding the credit balance and contributions for the current plan year, over the greater of lines 9l(2) or 9l(3), minus (2) the amount in line 9l(4). If the result is negative, enter zero.

**Line 9m(1). Waived Funding Deficiency Credit.** Enter a credit for a waived funding deficiency for the current plan year (Code section 412(b)(3)(C)). If a waiver of a funding deficiency is pending, report a funding deficiency. If the waiver is granted after Form 5500 is filed, file an amended Form 5500 with an amended Schedule B to report the funding waiver (see page 6 of the **Instructions for Form 5500**).

**Line 9m(2). Other Credits.** Enter a credit in the case of a plan for which the accumulated funding deficiency is determined under the funding standard account if such plan year follows a plan year for which such deficiency was determined under the alternative minimum funding standard.

**Line 9q. Reconciliation Account.** The reconciliation account is made up of those components that upset the balance equation of Treasury Regulation section 1.412(c)(3)-1(b). Valuation assets should not be adjusted by the reconciliation account balance when computing the required minimum funding.

**Line 9q(1).** The accumulation of additional funding charges for prior plan years must be included. Enter the sum of line 9q(1) (increased with interest at the valuation rate to the first day of the current plan year) and line 9f, both from the prior year’s Schedule B (Form 5500).

**Line 9q(2).** The accumulation of additional interest charges due to late or unpaid quarterly installments for prior plan years must be included. Enter the sum of line 9q(2) (increased with interest at the valuation rate to the first day of the current plan year) and line 9e, both from the prior year’s Schedule B (Form 5500).

**Line 9q(3)(a).** If a waived funding deficiency is being amortized at an interest rate that differs from the valuation rate, enter the prior year’s “reconciliation waiver outstanding balance” increased with interest at the valuation rate to the current valuation date and decreased by the year end amortization amount based on the mandated interest rate. Enter the amounts as of the valuation date. Also, include in this line reconciliation amounts due to extensions of amortization periods that have been approved by the IRS.

**Line 9q(4).** Enter the sum of lines 9q(1), 9q(2), and 9q(3)(b) (each adjusted with interest at the valuation rate to the current valuation date, if necessary).

**Note.** *The net outstanding balance of amortization charges and credits minus the prior year's credit balance minus the amount on line 9q(4) (each adjusted with interest at the valuation rate, if necessary) must equal the unfunded liability.*

**Line 10. Contribution Necessary to Avoid Deficiency.** Enter the amount from line 9p. However, if the alternative funding standard account is elected and the accumulated funding deficiency under that method is smaller than line 9p, enter such amount (also see instructions for line 8b). For multiemployer plans in reorganization, see the instructions for line 8b. File Form 5330 with the IRS to pay the 10% excise tax (5% in the case of a multiemployer plan) on the funding deficiency.

**Line 11.** In accordance with ERISA section 103(d)(3), attach a justification for any change in actuarial assumptions for the current plan year and label the attachment, "**Schedule B, line 11 – Justification for Change in Actuarial Assumptions.**" The preceding sentence applies for all plans.

The following instructions are applicable only to changes in current liability assumptions for plans (other than multiemployer plans) subject to Title IV of ERISA that resulted in a decrease in the unfunded current liability (UCL). If the current liability assumptions (other than a change in the assumptions required under Code section 412(l)(7)(C)) were changed for the current plan year and such change resulted in a decrease in UCL, approval for such a change may be required. However, if one of the following three conditions is satisfied with respect to a change in assumptions for a plan year, then the plan sponsor is not required to obtain approval from the IRS for such change(s):

**Condition 1: Aggregate Unfunded Vested Benefits**

The aggregate unfunded vested benefits as of the close of the plan year preceding the year in which assumptions were changed (as determined under section 4006(a)(3)(E)(iii) of ERISA) for the plan, and all other plans maintained by contributing sponsors (as defined in section 4001(a)(13) of ERISA) and members of such sponsor's controlled group (as defined in section 4001(a)(14) of ERISA) which are covered by Title IV of ERISA (disregarding plans with no unfunded vested benefits) is less than or equal to \$50 million.

**Condition 2: Amount of Decrease in UCL**

The change in assumptions (other than a change required under Code section 412(l)(7)(C)) resulted in a decrease in the UCL of the plan for the plan year in which the assumptions were changed of less than or equal to \$5 million.

**Condition 3: Amount of Decrease in UCL, and CL Before Change in Assumptions**

Although the change in assumptions (other than a change required under Code section 412(l)(7)(C)) resulted in a decrease in the UCL of the plan for the plan year in which the assumptions were changed which was greater than \$5 million and less than or equal to \$50 million, the decrease was less than five percent of the current liability of the plan before such change.

If the current liability assumptions for the plan have been changed, and such change requires approval of the Service, enter on an attachment the date(s) of the ruling letter(s) granting approval and label the attachment, "**Schedule B, line 11 – Change in Current Liability Assumptions Approval Date.**"

If the current liability assumptions for the plan have been changed, and such change would have required approval in the absence of satisfaction of one of the conditions outlined above, enter on an attachment the number of the applicable condition and the plan year for which it applies and label the attachment, "**Schedule B, line 11 – Change in Current Liability Applicable Condition.**" If condition 1 or 2 applies, also enter the amount of the decrease in UCL. Note that only one of the conditions needs to be entered.

## Specific Instructions for Part II

**Line 12. Additional Required Funding Charge.** There is no additional funding charge for plans that have 100 or fewer participants in the prior plan year (as defined under the **Who Must File** discussion for Schedule B). Do not complete Part II for such plans.

**Line 12a.** A plan's "Gateway %" is equal to the actuarial value of assets (line 1b(2), unreduced by any credit balance) divided by the current liability computed with the highest allowable interest rate (line 1d(2)(c)). If line 1d(2)(c) is not completed in accordance with instructions for that line, use "RPA '94" current liability reported on line 1d(2)(a). There is no additional funding charge for plan years beginning in 2003 if the "Gateway %" is at least 90%. In such cases, enter -0- on line 12q. There is no additional funding charge for plan years beginning in 2003 if (a) the "Gateway %" (for 2003) is at least 80% but less than 90%, and (b) the "Gateway %" for the plan years beginning in 2002 and 2001 were at least 90%, or, the "Gateway %" for the plan years beginning in 2001 and 2000 were at least 90% (in such case, enter -0- on line 12q).

**Note.** *Section 1508 of TRA '97 provided transition rules for certain plans sponsored by companies engaged primarily in the interurban or interstate passenger bus service that have "Gateway" percentages that are greater than certain prescribed minimum percentages. These transition rules are effective for such plans for any plan year beginning after 1996 and before 2010. If one of these transition rules is used, line 12a should be completed, and, if appropriate, a zero should be entered in line 12q. Attach a demonstration of the use of this transition rule to the Schedule B and label the attachment, "Schedule B, line 12a – Transition Rule."*

**Line 12c.** Enter the actuarial value of assets (line 1b(2)), reduced by the prior year's credit balance (line 9h). If line 9h was determined at a date other than the valuation date, adjust the credit balance for interest at the valuation rate to the current valuation date before subtracting. Do not add a prior year's funding deficiency to the assets.

**Line 12d. Funded Current Liability Percentage.** Enter the actuarial value of the assets expressed as a percentage of "RPA '94" current liability. Enter the result to the nearest .01% (e.g., 28.72%).

**Line 12f.** Enter the liability for any unpredictable contingent event (other than events that occurred before the first plan year beginning after 1988) that was included in line 12b, whether or not such unpredictable contingent event has occurred.

**Line 12g.** Enter the outstanding balance of the unfunded old liability as of the valuation date. This is line 12(g) of the 2002 Schedule B reduced by the prior year's amortization amount, and adjusted for interest at the prior year's current liability interest rate from the prior year's valuation date to the current valuation date. The unfunded old liability (and therefore all its components) will be considered fully amortized in accordance with Q&A-7 of Rev. Rul. 96-20, 1996-1 C.B. 62.

**Note.** *In the case of a collectively bargained plan, this amount must be increased by the unamortized portion of any "unfunded existing benefit increase liability" in accordance with Code section 412(l)(3)(C).*

**Line 12h.** This amount is the unfunded new liability. It is recomputed each year. If a negative result is obtained, enter zero.

**Line 12i.** If the unfunded new liability is zero, enter zero for the unfunded new liability amount. If the unfunded new liability is greater than zero, first calculate the amortization percentage as follows:

1. If the funded current liability percentage (line 12d) is less than or equal to 60%, the amortization percentage is 30%.
2. If the current liability percentage exceeds 60%, the amortization percentage is determined by reducing 30% by the

product of 40% and the amount of such excess. Enter the resulting amortization percentage to the nearest 0.01 percent.

The unfunded new liability amount is equal to the above-calculated percentage of the unfunded new liability.

**Line 12j.** Enter the amortization amount for line 12g based on the "RPA '94" current liability interest rate (line 6a(1)) in effect for the plan year and the following amortization period:

**In general:** For the 2003 plan year, the remaining amortization period is 4 years.

**Special rule:** In the case of a collectively bargained plan, the amortization amount must be increased by the amortization of any "unfunded existing benefit increase liability" in accordance with Code section 412(l)(3)(C)(ii). For any such amortization, the amortization period is equal to the remainder of the original 18-year period that applied when the amortization began.

**Base maintenance:** On a separate attachment, show the initial amount of each DRC amortization base (as defined in Rev. Rul. 96-20) being amortized under the general or special rule, the outstanding balance of each DRC amortization base, the number of years remaining in the amortization period, and the amortization amount (with the valuation date as the due date of the amortization amount), and label the schedule, "**Schedule B, line 12j – Schedule of DRC Bases.**" It is not necessary to list separately the unfunded old liability base and the additional unfunded old liability base.

**Line 12i.** Enter the result determined by subtracting the amortization credits (line 9j) from the sum of the normal cost and the amortization charges (lines 9b, 9c(1) and 9c(2)). Use the valuation date as the due date for the amortization amounts. If entering a negative number, enter a minus sign "-" to the left of the number.

**Line 12m. Unpredictable Contingent Event Amount.** Line 12m does not apply to the unpredictable contingent event benefits (and related liabilities) for an event that occurred before the first plan year beginning after December 31, 1988.

**Line 12m(1).** Enter the total of all benefits paid during the plan year that were paid solely because an unpredictable event occurred.

**Line 12m(4). Amortization of All Unpredictable Contingent Event Liabilities.** Amortization should be based on the "RPA '94" current liability interest rate (line 6a(1)), using the valuation date as the due date. The initial amortization period for each base established in a plan year is generally 7 years, however see Code section 412(l)(5) for special rules.

**Note.** An alternative calculation of an unpredictable contingent amount is available for the first year of amortization. Refer to Code section 412(l)(5)(D) for a description. If this alternative calculation is used, include an attachment describing the

calculation, and label the schedule, "**Schedule B, line 12m(4) – Alternative UCEB Calculation.**"

**Line 12m(5). "RPA '94" Additional Amount.** Subtract line 12g from line 12e. If the result is zero or less than zero, enter -0-. If the result is a positive number, multiply the result by the percentage used to calculate line 12i. Enter the excess, if any, of this amount over the amount on line 12i.

**Line 12n. Preliminary charge.** Adjust with interest using the "RPA '94" current liability interest rate.

**Line 12o. Contributions needed to increase current liability percentage to 100%.** This amount is equal to the excess, if any, of the "adjusted current liability" over the "adjusted assets." The adjusted current liability is equal to the excess of (1) the sum of lines 1d(2)(a) and 1d(2)(b), over (2) line 1d(2)(d), each adjusted to the end of the plan year using the "RPA '94" current liability interest rate. Note that a special rule under Code section 412(l)(7)(C)(i)(III) allows a rate up to 120% to be used for the 2003 plan year.

The adjusted assets are equal to the actuarial value of assets for the plan year adjusted by (1) subtracting any credit balance (or adding any debit balance) in the plan's funding standard account as of the end of the prior plan year, adjusted with interest to the valuation date at the valuation interest rate, (2) subtracting the disbursements from the plan (including single sum distributions) expected to be paid after the valuation date but prior to the end of the plan year, (3) adding the charges to the funding standard account as maintained under Code section 412(b) for the plan year (other than the additional funding charge under Code section 412(l)), and (4) subtracting the credits to the funding standard account as maintained under Code section 412(b) for the plan year (other than credits under Code sections 412(b)(3)(A) and 412(b)(3)(C)). The actuarial value of assets and the adjustments described above are determined as of the valuation date, and each is appropriately adjusted with interest to the end of the plan year at the valuation interest rate. The result of the calculation of adjusted assets may be a negative number.

**Line 12q.** If the plan had 150 or more participants on each day of the preceding plan year, enter 100%. If the plan had less than 150 participants but more than 100 participants on each day of the preceding plan year, enter the applicable percentage. The same participant aggregation rule described in the instructions for line 12 applies. The applicable percentage is calculated as follows: (1) Determine the greatest number of participants on any day during the preceding plan year in excess of 100. (2) The applicable percentage is 2% times the number of such participants in excess of 100. The percentage should not exceed 100%. The amount on line 12q is also the amount entered on line 9f.

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## 2003 Instructions for Schedule C (Form 5500)

### Service Provider Information

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#### General Instructions

##### Who Must File

Schedule C (Form 5500) must be attached to a Form 5500 filed for a large pension or welfare benefit plan and to a Form 5500 filed for a MTIA, 103-12 IE, or GIA to report information concerning service providers. See the instructions to the Form 5500 for **Form 5500 Schedules** and **Direct Filing Entity (DFE)**.

Check the Schedule C box on the Form 5500 (Part II, line 10b(4)) if a Schedule C is attached to the Form 5500. Multiple Schedule C pages must be attached to the Form 5500 if necessary to report the required information.

**Lines A, B, C, and D.** This information should be the same as reported in Part II of the Form 5500 to which this Schedule C is attached. You may abbreviate the plan name (if necessary) to fit in the space provided.

**Line 1 of Part I.** Line 1 must be completed if line 2 of Part I is required to be completed as specified below.

**Line 2 of Part I.** Line 2 of Part I must be completed to report contract administrators and persons receiving, directly or indirectly, \$5,000 or more in compensation for all services rendered to the plan or DFE during the plan or DFE year except:

1. Employees of the plan whose only compensation in relation to the plan was less than \$1,000 for each month of employment during the plan year;
2. Employees of the plan sponsor who did not receive direct or indirect compensation from the plan;
3. Employees of a business entity (e.g., corporation, partnership, etc.), other than the plan sponsor, who provided services to the plan; or
4. Persons whose only compensation in relation to the plan consists of insurance fees and commissions listed in a Schedule A attached to the Form 5500 filed for this plan.

Generally, indirect compensation would not include compensation that would have been received had the service not been rendered and that cannot be reasonably allocated to the services performed. Indirect compensation includes, among other things, payment of "finder's fees" or other fees and commissions by a service provider to an independent agent or employee for a transaction or service involving the plan.

##### Notes.

- *Either the cash or accrual basis may be used for the recognition of transactions reported on the Schedule C as long as you use one method consistently.*
- *The compensation listed should only reflect the amount of compensation received by the service provider from the plan or DFE filing the Form 5500, not the aggregate amount received for providing services to several plans or DFEs.*
- *The term "persons" on the Schedule C instructions includes individuals, trades and businesses (whether incorporated or unincorporated). See ERISA section 3(9).*

#### Specific Instructions

##### Part I - Service Provider Information

**Line 1.** Enter the total dollar amount of compensation received by all persons who provided services to the plan who are not listed in line 2 (except for those persons described in 2, 3, or 4 in the General Instructions).

**Example.** *A plan had service providers, A, B, C, and D, who received \$12,000, \$6,000, \$4,500, and \$430, respectively, from the plan. Service providers A and B must be identified separately in line 2 by name, EIN, official plan position, etc. As service providers C and D each received less than \$5,000, the amount they received must be combined and \$4,930 entered in line 1.*

**Line 2.** List up to 40 service providers, including the contract administrator, as specified below.

First, list the contract administrator, if any, on the first item (complete elements **(a)** through **(g)**) on line 2 where indicated. A contract administrator is any individual, trade or business (whether incorporated or unincorporated) responsible for managing the clerical operations of the plan on a contractual basis (e.g., handling membership rosters, claims payment, maintaining books and records), except for salaried staff or employees of the plan or banks or insurance carriers. If you do not have a contract administrator, leave the first item blank and skip to the next item. DO NOT cross out the preprinted words "Contract administrator."

Next, complete a separate item for each person required to be reported in line 2 in the order of compensation received. Start with the most highly compensated and end with the lowest compensated. Enter in element **(a)** the person's name and complete elements **(b)** through **(g)** as specified below. Additional pages may be necessary to list all service providers. If you are using the official hand print forms, you can get additional hand print pages by calling **1-800-TAX-FORM** (1-800-829-3676) and requesting additional schedules.

**Element (b).** An EIN must be entered. If the name of an individual is entered in element **(a)**, the EIN to be entered in element **(b)** should be the EIN of the individual's employer.

**Element (c).** Enter, for example, employee, trustee, accountant, attorney, etc.

**Element (d).** Enter, for example, employee, vice-president, union president, etc.

**Elements (e) and (f).**

**Plan Filers.** Include the plan's share of compensation for services paid during the year to a MTIA or 103-12 IE trustee and to persons providing services to the MTIA or 103-12 IE, if such compensation is **not** subtracted from the total income in determining the net income (loss) reported on the MTIA or 103-12 IE's Schedule H, line 2k.

Include brokerage commissions or fees only if the broker is granted some discretion (see 29 CFR 2510.3-21 paragraph (d), regarding "discretion"). Include all other commissions and fees on investments, whether or not they are capitalized as investment costs.

**MTIA and 103-12 IEs.** Include compensation for services paid by the MTIA or 103-12 IE during its fiscal year to persons providing services to the MTIA or 103-12 IE if such compensation is subtracted from the total income in determining the net income (loss) reported by the MTIA or 103-12 IE on Schedule H, line 2k.

**Element (g).** Select and enter all codes that describe the nature of services provided from the list below. If more than one service was provided, list the code for the primary service first. If necessary, use a properly identified attachment to list all applicable service codes.

**Note.** Do not list PBGC or IRS as a service provider on Part I of Schedule C.

**Code Service**

- 10 Accounting (including auditing)
- 11 Actuarial
- 12 Contract Administrator
- 13 Administration
- 14 Brokerage (real estate)
- 15 Brokerage (stocks, bonds, commodities)
- 16 Computing, tabulating, ADP, etc.
- 17 Consulting (general)
- 18 Custodial (securities)
- 19 Insurance agents and brokers
- 20 Investment advisory
- 21 Investment management
- 22 Legal
- 23 Printing and duplicating
- 24 Recordkeeping
- 25 Trustee (individual)
- 26 Trustee (corporate)
- 27 Pension insurance advisor
- 28 Valuation services (appraisals, asset valuations, etc.)
- 29 Investment evaluations
- 30 Medical
- 31 Legal services to participants
- 99 Other (specify)

**Part II - Termination Information on Accountants and Enrolled Actuaries**

Complete Part II if there was a termination in the appointment of an accountant or enrolled actuary. In case the service provider is not an individual (i.e., when the accountant is a legal entity such as a corporation, partnership, etc.), report when the service provider (not the individual) has been terminated.

Provide an explanation of the reasons for the termination of an accountant or enrolled actuary. Include a description of any material disputes or matters of disagreement concerning the termination, even if resolved prior to the termination. If an individual is listed, the EIN to be entered should be the EIN of the individual's employer. The plan administrator must also provide the terminated accountant or enrolled actuary with a copy of the explanation for the termination provided in Part II of the Schedule C, along with a completed copy of the notice below.

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**Notice To Terminated Accountant  
Or Enrolled Actuary**

I, as plan administrator, verify that the explanation that is reproduced below or attached to this notice is the explanation concerning your termination reported on the Schedule C (Form 5500) attached to the 2003 Annual Return/Report Form 5500 for the \_\_\_\_\_ (enter name of plan). This Form 5500 is identified in line 2b by the nine-digit EIN \_\_\_\_ - \_\_\_\_\_ (enter sponsor's EIN), and in line 1b by the three-digit PN \_\_\_\_\_ (enter plan number).

You have the opportunity to comment to the Department of Labor concerning any aspect of this explanation. Comments should include the name, EIN, and PN of the plan and be submitted to: Office of Enforcement, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

Signed  
Dated



## 2003 Instructions for Schedule D (Form 5500) DFE/Participating Plan Information

### General Instructions

#### Purpose of Schedule

When the Form 5500 is filed for a plan or DFE that invested or participated in any MTIAs, 103-12 IEs, CCTs and/or PSAs, Part I provides information about these entities. When the Form 5500 is filed for a DFE, Part II provides information about plans participating in the DFE.

#### Who Must File

**Employee Benefit Plans:** Schedule D must be attached to a Form 5500 filed for an employee benefit plan that participated or invested in one or more common/collective trusts (CCTs), pooled separate accounts (PSAs), master trust investment accounts (MTIAs), or 103-12 Investment Entities (103-12 IEs) at anytime during the plan year.

**Direct Filing Entities:** Schedule D must be attached to a Form 5500 filed for a CCT, PSA, MTIA, 103-12 IE or Group Insurance Arrangement (GIA), as a Direct Filing Entity (i.e., when Form 5500 Part I, line A(4) is checked). For more information, see instructions for **Direct Filing Entity (DFE)** on pages 4 and 9 of the instructions for the Form 5500.

Check the Schedule D box on the Form 5500 (Part II, line 10b(5)) if a Schedule D is attached to the Form 5500. Multiple Schedule D pages must be attached to the Form 5500 if necessary to report the required information. You can get additional hand print pages by calling **1-800-TAX-FORM** (1-800-829-3676) to request additional schedules.

#### Specific Instructions

**Lines A, B, C, and D.** The information should be the same as reported in Part II of the Form 5500 to which this Schedule D is attached. You may abbreviate the plan name (if necessary) to fit in the space provided.

#### Part I - Information on Interests in MTIAs, CCTs, PSAs, and 103-12 IEs (To Be Completed by Plans and DFEs)

Use as many pages as necessary to enter the information specified below for all MTIAs, CCTs, PSAs, and 103-12 IEs in which the plan or DFE filing the Form 5500 participated at anytime during the plan or DFE year.

Complete a separate item (elements **(a)** through **(e)**) for each MTIA, CCT, PSA, or 103-12 IE.

**Element (a).** Enter the name of the MTIA, CCT, PSA, or 103-12 IE in which the plan or DFE filing the Form 5500 participated at any time during the plan or DFE year.

**Element (b).** Enter the name of the sponsor of the MTIA, CCT, PSA, or 103-12 IE named in (a).

**Element (c).** Enter the nine-digit employer identification number (EIN) and three-digit plan/entity number (PN) for each MTIA, CCT, PSA, or 103-12 IE named in (a). This **must** be the same EIN/PN as reported on lines 2b and 1b of the Form 5500 filed for the DFE. If a Form 5500 was **not** filed for a CCT or PSA named in element (a), enter the EIN for the CCT or PSA and enter 000 for the PN.

**Element (d).** Enter an M, C, P, or E, as appropriate, (see table below) to identify the type of entity (MTIA, CCT, PSA, or 103-12 IE).

Type of entity	Enter in (d)
▼	▼
MTIA	M
CCT	C
PSA	P
103-12 IE	E

**Element (e).** Enter the dollar value of the plan's or DFE's interest as of the end of the year. If the plan or DFE for which this Schedule D is filed had no interest in the MTIA, CCT, PSA, or 103-12 IE listed at the end of the year, enter "0".

**Example for Part I:** If a plan participates in a MTIA, the MTIA is named in element (a); the MTIA's sponsor is named in element (b); the MTIA's EIN and PN is entered in element (c) (such as: 12-3456789-001); an "M" is entered in element (d); and the dollar value of the plan's interest in the MTIA as of the end of the plan year is entered in element (e).

If the plan also participates in a CCT for which a Form 5500 was **not** filed, the CCT is named in another element (a); the name of the CCT sponsor is entered in element (b); the EIN for the CCT, followed by 000 is entered in element (c) (such as: 99-8765432-000); a "C" is entered in element (d); and the dollar value of the plan's interest in the CCT is entered in element (e).

If the plan also participates in a PSA for which a Form 5500 was filed, the PSA is named in a third element (a); the name of the PSA sponsor is entered in element (b); the PSA's EIN and PN is entered in element (c) (such as: 98-7655555-001); a "P" is entered in element (d); and the dollar value of the plan's interest in the PSA is entered in element (e).

#### Part II - Information on Participating Plans (To Be Completed by DFEs)

Use as many pages as necessary to enter the information specified below for all plans that invested or participated in the DFE at any time during the DFE year.

Complete a separate item (elements **(a)** through **(c)**) for each plan.

**Element (a).** Enter the name of each plan that invested or participated in the DFE at any time during the DFE year. GIAs need not complete element (a).

**Element (b).** Enter the sponsor of each investing or participating plan.

**Element (c).** Enter the nine-digit EIN and three-digit PN for each plan named in element (a). This is the EIN and PN entered on lines 2b and 1b of the plan's Form 5500. GIAs should enter the EIN of the sponsor listed in element (b).

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## 2003 Instructions for Schedule E (Form 5500) ESOP Annual Information

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### General Instructions

#### Purpose of Schedule

Use this schedule to satisfy the requirements under Code section 6047(e) for an annual information return for an employee stock ownership plan (ESOP).

#### Who Must File

Every employer or plan administrator of a pension benefit plan that contains ESOP benefits must file a Schedule E (Form 5500).

#### How To File

File Schedule E (Form 5500) annually as an attachment to Form 5500 or 5500-EZ. If more than one securities acquisition loan (see specific instructions for lines 7 through 12) is outstanding, you must file one Schedule E (Form 5500) and an attachment for each additional securities acquisition loan and label the attachment "**Schedule E, lines 7 through 12 – Additional Securities Acquisition Loans.**" Each attachment must provide answers to questions 7 through 12, be in a similar format to, and on the same size paper as, the Schedule E.

Check the Schedule E box on the Form 5500 (Part II, line 10a(4)) if a Schedule E is attached to the Form 5500.

**Note.** *The Small Business Job Protection Act repealed the partial interest exclusion of Code section 133 effective, in general, with respect to loans made after August 20, 1996. However, Schedule E (Form 5500) must be filed for securities acquisition loans made to ESOPs before August 21, 1996, loans made pursuant to a written binding contract in effect before June 10, 1996, and at all times thereafter before the loan was made, and certain loans made after August 20, 1996, to refinance a securities acquisition loan originally made on or before August 20, 1996.*



*If the employer maintaining the ESOP is an S corporation and Schedule E is attached to a Form 5500, enter 2Q and other applicable codes on Form 5500, Part II, line 8.*

#### Specific Instructions

**Lines A, B, C, and D.** This information should be the same as reported in Part II of the Form 5500 to which this Schedule E is attached. You may abbreviate the plan name (if necessary) to fit in the space provided.

**Line 1b.** Code section 409(p) precludes an ESOP from making allocations in a nonallocation year (as defined in Code section 409(p)(3)) to any disqualified person (within the meaning of Code section 409(p)(4)). If an ESOP fails Code section 409(p), allocations are taxed to the disqualified person (see Code section 409(p)(2)) and an excise tax is imposed on the S corporation under Code section 4979A.

Answer line 1b if the ESOP was established after March 12, 2001, or if the employer securities held by the plan consist of stock in an S corporation that did not have an S election in effect on that date (see Notice 2002-2, Q&A-15, 2002-2 I.R.B. 285, for when an S corporation election is in effect).

**Line 4.** If the schedule does not provide enough space, enter "ATTACHED" and provide the required formula(s) as an attachment to Schedule E.

**Lines 7 through 12.** A "securities acquisition loan" is an exempt loan to an ESOP to the extent that the proceeds are used to acquire employer securities for the plan.

**Line 7.** A "back to back loan" is a securities acquisition loan from a lender to an employer corporation followed by a loan

from the corporation to the ESOP maintained by the employer corporation. A "back to back loan" constitutes a "securities acquisition loan" under Code section 133 if the following requirements are satisfied:

1. The loan from the employer corporation to the ESOP qualifies as an exempt loan under Treasury Regulation sections 54.4975-7 and 54.4975-11;

2. The repayment terms of the loan from the corporation to the ESOP are "substantially similar" (as defined in Temporary Income Tax Regulations section 1.133-1T) to the repayment terms of the loan from the corporation to the lender; and

3. If the loan from the corporation to the ESOP provides for more rapid repayment of principal and interest, the allocations under the ESOP attributable to such repayments do not discriminate in favor of highly compensated employees (within the meaning of Code section 414(q)).

**Line 8.** An immediate allocation loan is any loan to an employer corporation to the extent that, within 30 days, employer securities are transferred to the ESOP maintained by the corporation in an amount equal to the proceeds of the loan and the securities are allocable to the accounts of plan participants within one year of the date of the loan. (See Code section 133(b)(1)(B).)

**Line 9c.** The transition rules of Act section 7301(f)(2) through (6) of the Omnibus Budget Reconciliation Act of 1989 (OBRA), P.L. 101-239, provide that the amendments made to Code section 133 by OBRA will not apply to certain loans that satisfy the requirements of those paragraphs. In general, the amendments made by OBRA will not apply to:

1. Loans made pursuant to a binding written commitment in effect on June 6, 1989, and at all times thereafter before the loan was made, or pursuant to a written binding contract (or tender offer registered with the Securities and Exchange Commission (SEC)) in effect on June 6, 1989, and at all times thereafter before such securities were acquired.

2. If subparagraph 1 does not apply, loans made pursuant to a binding written commitment in effect on July 10, 1989, and at all times thereafter before the loan was made, but only to the extent that the proceeds were used to acquire employer securities pursuant to a certain binding written contract (or tender offer registered with the SEC) in effect on July 10, 1989, and at all times thereafter before the securities are acquired.

3. Any loan made on or before July 10, 1992, pursuant to a written agreement entered into before July 10, 1989, if the agreement evidences the intent of the borrower to enter, on a periodic basis, into securities acquisition loans described in Code section 133(b)(1)(B) (as in effect before December 19, 1989). This rule applies only if one or more securities acquisition loans were made to the borrower on or before July 10, 1989.

See Act section 7301(f)(2) to determine the specific requirements of the transition rules described above. See Act section 7301(f)(3) through (6) for additional transition rules on refinancings, collective-bargaining agreements, filings with the United States, and the 30% test for certain loans.

**Line 10.** If the loan is a back to back loan or an immediate allocation loan, enter the amount of interest paid by the employer corporation to the lender(s) during the plan year.

**Line 12b.** The repeal of Code section 133 by Act section 1602 of SBJPA 1996 does not apply to a refinancing of an ESOP securities acquisition loan made after August 20, 1996, or pursuant to a binding contract in effect before June 10, 1996, if:

1. The refinancing loan meets the requirements of Code section 133 in effect on August 20, 1996,

2. The outstanding principal amount of the loan is not increased, and

3. The term of the original loan is not extended.

**Line 18.** If there are more than three classes of stock, include an attachment with the information required for elements (a)

through (f) for each additional class of stock and label the attachment, “**Schedule E, line 18 – Additional Classes of Stock.**”

**Line 18(d).** In determining the dividend rate for a class of common stock, use the percentage of the average dividends paid on the class of common stock during the plan year over the average value of the class of common stock during the plan year.

In determining the dividend rate for a class of preferred stock, use the dividend rate stated in the terms of the stock, or if a dividend rate is not stated, use the percentage of the average dividends paid on the class of preferred stock during the plan year over the par value of the class of preferred stock.

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## 2003 Instructions for Schedule G (Form 5500) Financial Transaction Schedules

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### General Instructions

#### Who Must File

Schedule G (Form 5500) must be attached to a Form 5500 filed for a plan, MTIA, 103-12 IE, or GIA to report loans or fixed income obligations in default or determined to be uncollectible as of the end of the plan year, leases in default or classified as uncollectible, and nonexempt transactions. See Schedule H (Form 5500) lines 4b, 4c, and/or 4d.

Check the Schedule G box on the Form 5500 (Part II, line 10b(6)) if a Schedule G is attached to the Form 5500. Multiple Schedule G pages must be attached to the Form 5500 if necessary to report the required information. You can get additional hand print pages by calling **1-800-TAX-FORM** (1-800-829-3676) and requesting additional schedules.

The Schedule G consists of three parts. Part I of the Schedule G reports any loans or fixed income obligations in default or determined to be uncollectible as of the end of the plan year. Part II of the Schedule G reports any leases in default or classified as uncollectible. Part III of the Schedule G reports nonexempt transactions.

#### Specific Instructions

**Lines A, B, C, and D.** This information should be the same as reported in Part II of the Form 5500 to which this Schedule G is attached. You may abbreviate the plan name (if necessary) to fit in the space provided.

#### Part I - Loans or Fixed Income Obligations in Default or Classified as Uncollectible

List all loans or fixed income obligations in default or determined to be uncollectible as of the end of the plan year or the fiscal year of the GIA, MTIA, or 103-12 IE. Include:

- Obligations where the required payments have not been made by the due date;
- Fixed income obligations that have matured, but have not been paid, for which it has been determined that payment will not be made; and
- Loans that were in default even if renegotiated later during the year.

**Note.** Identify in element (a) each obligator known to be a party-in-interest to the plan.

Provide, on a separate attachment, an explanation of what steps have been taken or will be taken to collect overdue amounts for each loan listed and label the attachment, **“Schedule G, Part I – Overdue Loan Explanation.”**

The due date, payment amount and conditions for determining default in the case of a note or loan are usually contained in the documents establishing the note or loan. A loan is in default when the borrower is unable to pay the obligation upon maturity. Obligations that require periodic repayment can default at any time. Generally loans and fixed income obligations are considered uncollectible when payment has not been made and there is little probability that payment will be made. A fixed income obligation has a fixed maturity date at a specified interest rate.

Do not report in Part I participant loans under an individual account plan with investment experience segregated for each account, that are made in accordance with 29 CFR 2550.408b-1, and that are secured solely by a portion of the participant's vested accrued benefit. Report all other participant loans in default or classified as uncollectible on Part I, and list each such loan individually.

#### Part II - Leases in Default or Classified as Uncollectible

List any leases in default or classified as uncollectible. A lease is an agreement conveying the right to use property, plant or equipment for a stated period. A lease is in default when the required payment(s) has not been made. An uncollectible lease is one where the required payments have not been made and for which there is little probability that payment will be made. Provide, on a separate attachment, an explanation of what steps have been taken or will be taken to collect overdue amounts for each lease listed and label the attachment **“Schedule G, Part II – Overdue Lease Explanation.”**

#### Part III - Nonexempt Transactions

All nonexempt party-in-interest transactions must be reported, regardless of whether disclosed in the accountant's report, unless the nonexempt transaction is:

1. Statutorily exempt under Part 4 of Title I of ERISA;
2. Administratively exempt under ERISA section 408(a);
3. Exempt under Code sections 4975(c) or 4975(d);
4. The holding of participant contributions in the employer's general assets for a welfare plan that meets the conditions of ERISA Technical Release 92-01;
5. A transaction of a 103-12 IE with parties other than the plan; or
6. A delinquent participant contribution reported on Schedule H, line 4a.

**Nonexempt transactions** with a party-in-interest include any direct or indirect:

- A. Sale or exchange, or lease, of any property between the plan and a party-in-interest.
- B. Lending of money or other extension of credit between the plan and a party-in-interest.
- C. Furnishing of goods, services, or facilities between the plan and a party-in-interest.
- D. Transfer to, or use by or for the benefit of, a party-in-interest, of any income or assets of the plan.
- E. Acquisition, on behalf of the plan, of any employer security or employer real property in violation of Code section 407(a).
- F. Dealing with the assets of the plan for a fiduciary's own interest or own account.
- G. Acting in a fiduciary's individual or any other capacity in any transaction involving the plan on behalf of a party (or represent a party) whose interests are adverse to the interests of the plan or the interests of its participants or beneficiaries.
- H. Receipt of any consideration for his or her own personal account by a party-in-interest who is a fiduciary from any party dealing with the plan in connection with a transaction involving the income or assets of the plan.



*An unfunded, fully insured, or combination unfunded/insured welfare plan with 100 or more participants exempt under 29 CFR 2520.104-44 from completing Schedule H must still complete Schedule G, Part III, to report nonexempt transactions.*

If you are unsure whether a transaction is exempt or not, you should consult with either the plan's independent qualified public accountant or legal counsel or both.

You may indicate that an application for an administrative exemption is pending.

If the plan is a qualified pension plan and a nonexempt prohibited transaction occurred with respect to a disqualified person, a **Form 5330**, Return of Excise Taxes Related to Employee Benefit Plans, should be filed with the IRS to pay the excise tax on the transaction.



*The DOL Voluntary Fiduciary Correction Program (VFCP) describes how to apply, the specific transactions covered (which transactions include delinquent participant contributions to pension and welfare plans), and acceptable methods for correcting violations. In addition, applicants that satisfy both the VFCP requirements and the conditions of Prohibited Transaction Exemption (PTE) 2002-51 are eligible for immediate relief from payment of certain prohibited transaction excise taxes for certain corrected transactions. For more information, see 67 Fed. Reg. 15062 and 67 Fed. Reg. 70623 (November 25, 2002). If the conditions of PTE 2002-51 are satisfied, corrected transactions should be treated as exempt under Code section 4975(c) for the purposes of answering Schedule G, Part III. Information about the VFCP is also available on the Internet at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).*

For purposes of this form, party-in-interest is deemed to include a disqualified person. See Code section 4975(e)(2). The term “party-in-interest” means, as to an employee benefit plan:

- A.** Any fiduciary (including, but not limited to, any administrator, officer, trustee or custodian), counsel, or employee of the plan;
- B.** A person providing services to the plan;
- C.** An employer, any of whose employees are covered by the plan;
- D.** An employee organization, any of whose members are covered by the plan;

**E.** An owner, direct or indirect, of 50% or more of: **(1)** the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of a corporation, **(2)** the capital interest or the profits interest of a partnership, or **(3)** the beneficial interest of a trust or unincorporated enterprise that is an employer or an employee organization described in C or D;

**F.** A relative of any individual described in A, B, C, or E;

**G.** A corporation, partnership, or trust or estate of which (or in which) 50% or more of: **(1)** the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of such corporation, **(2)** the capital interest or profits interest of such partnership, or **(3)** the beneficial interest of such trust or estate is owned directly or indirectly, or held by, persons described in A, B, C, D, or E;

**H.** An employee, officer, director (or an individual having powers or responsibilities similar to those of officers or directors), or a 10% or more shareholder, directly or indirectly, of a person described in B, C, D, E, or G, or of the employee benefit plan; or

**I.** A 10% or more (directly or indirectly in capital or profits) partner or joint venturer of a person described in B, C, D, E, or G.

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## 2003 Instructions for Schedule H (Form 5500) Financial Information

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### General Instructions

#### Who Must File

Schedule H (Form 5500) must be attached to a Form 5500 filed for a pension benefit plan or a welfare benefit plan that covered 100 or more participants as of the beginning of the plan year and a Form 5500 filed for a MTIA, CCT, PSA, 103-12 IE, or GIA. See the instructions to the Form 5500 for **Direct Filing Entity (DFE) Filing Requirements**.

**Exceptions:** (1) Insured, unfunded, or a combination of unfunded/insured welfare plans and fully insured pension plans that meet the requirements of 29 CFR 2520.104-44 are exempt from completing the Schedule H. (2) If a Schedule I was filed for the plan for the 2002 plan year and the plan covered fewer than 121 participants as of the beginning of the 2003 plan year, the Schedule I may be completed instead of a Schedule H. See **What To File** on page 7.

Check the Schedule H box on the Form 5500 (Part II, line 10b(1)) if a Schedule H is attached to the Form 5500. Do not attach both a Schedule H and a Schedule I to the same Form 5500.

#### Specific Instructions

**Lines A, B, C, and D.** This information should be the same as reported in Part II of the Form 5500 to which this Schedule H is attached. You may abbreviate the plan name (if necessary) to fit in the space provided.

**Note.** Do not mark through the printed line descriptions on the Schedule H and insert your own description as this may cause correspondence due to a computerized review of the Schedule H.

The cash, modified cash, or accrual basis may be used for recognition of transactions in Parts I and II, as long as you use one method consistently. Round off all amounts reported on the Schedule H to the nearest dollar. Any other amounts are subject to rejection. Check all subtotals and totals carefully.

If the assets of two or more plans are maintained in a fund or account that is not a DFE, a registered investment company, or the general account of an insurance company under an unallocated contract (see the instructions for lines 1c(9) through 1c(14)), complete Parts I and II of the Schedule H by entering the plan's allocable part of each line item.

**Exception.** When completing Part II of the Schedule H for a plan or DFE that participates in a CCT or PSA for which a Form 5500 has not been filed, do not allocate the income of the CCT or PSA and expenses that were subtracted from the gross income of the CCT or PSA in determining their net investment gain (loss). Instead, enter the CCT or PSA net gain (loss) on line 2b(6) or (7) in accordance with the instructions for these lines.

If assets of one plan are maintained in two or more trust funds, report the combined financial information in Parts I and II.

*Current value* means fair market value where available. Otherwise, it means the fair value as determined in good faith under the terms of the plan by a trustee or a named fiduciary, assuming an orderly liquidation at time of the determination. See ERISA section 3(26).

**Note.** For the 2003 plan year, plans that provide participant-directed brokerage accounts as an investment alternative (and have entered pension feature code "2R" on line 8a of the Form 5500) may report investments in assets made through participant-directed brokerage accounts either:

1. As individual investments on the applicable asset and liability categories in Part I and the income and expense categories in Part II, or

2. By including on line 1c(15) the total aggregate value of the assets and on line 2c the total aggregate investment income (loss) before expenses, provided the assets are not loans, partnership or joint-venture interests, real property, employer securities, or investments that could result in a loss in excess of the account balance of the participant or beneficiary who directed the transaction. Expenses charged to the accounts must be reported on the applicable expense line items. Participant-directed brokerage account assets reported in the aggregate on line 1c(15) should be treated as one asset held for investment for purposes of the line 4i schedules, except that investments in tangible personal property must continue to be reported as separate assets on the line 4i schedules.

In the event that investments made through a participant-directed brokerage account are loans, partnership or joint venture interests, real property, employer securities, or investments that could result in a loss in excess of the account balance of the participant or beneficiary who directed the transaction, such assets must be broken out and treated as separate assets on the applicable asset and liability categories in Part I, income and expense categories in Part II, and on the line 4i schedules. The remaining assets in the participant-directed brokerage account may be reported in the aggregate as set forth in paragraph 2 above. The agencies will be evaluating whether, and to what extent, the aggregate method of reporting is appropriate for future plan years.

**Columns (a) and (b).** Enter the current value on each line as of the beginning and end of the plan year.

**Note.** Amounts reported in column (a) must be the same as reported for the end of the plan year for corresponding line items of the return/report for the preceding plan year. Do not include contributions designated for the 2003 plan year in column (a).

**Line 1a.** Total noninterest bearing cash includes, among other things, cash on hand or cash in a noninterest bearing checking account.

**Line 1b(1).** Noncash basis filers should include contributions due the plan by the employer but not yet paid. Do not include other amounts due from the employer such as the reimbursement of an expense or the repayment of a loan.

**Line 1b(2).** Noncash basis filers should include contributions withheld by the employer from participants and amounts due directly from participants that have not yet been received by the plan. Do not include the repayment of participant loans.

**Line 1b(3).** Noncash basis filers should include amounts due to the plan that are not includable in lines 1b(1) or 1b(2). These amounts may include investment income earned but not yet received by the plan and other amounts due to the plan such as amounts due from the employer or another plan for expense reimbursement or from a participant for the repayment of an overpayment of benefits.

**Line 1c(1).** Include all assets that earn interest in a financial institution account such as interest bearing checking accounts, passbook savings accounts, or in money market accounts.

**Line 1c(2).** Include securities issued or guaranteed by the U.S. Government or its designated agencies such as U.S. Savings Bonds, Treasury bonds, Treasury bills, FNMA, and GNMA.

**Line 1c(3).** Include investment securities (other than employer securities defined below in 1d(1)) issued by a corporate entity at a stated interest rate repayable on a particular future date such as most bonds, debentures, convertible debentures, commercial paper and zero coupon bonds. Do not include debt securities of governmental units that should be reported on line 1c(2) or 1c(15).

"Preferred" means any of the above securities that are publicly traded on a recognized securities exchange and the

securities have a rating of “A” or above. If the securities are not “Preferred” they are listed as “Other.”

**Line 1c(4)(A).** Include stock issued by corporations (other than employer securities defined in 1d(1) below) which is accompanied by preferential rights such as the right to share in distributions of earnings at a higher rate or which has general priority over the common stock of the same entity. Include the value of warrants convertible into preferred stock.

**Line 1c(4)(B).** Include any stock (other than employer securities defined in 1d(1)) that represents regular ownership of the corporation and is not accompanied by preferential rights. Include the value of warrants convertible into common stock.

**Line 1c(5).** Include the value of the plan’s participation in a partnership or joint venture if the underlying assets of the partnership or joint venture are not considered to be plan assets under 29 CFR 2510.3-101. Do not include the value of a plan’s interest in a partnership or joint venture that is a 103-12 IE. Include the value of a 103-12 IE in 1c(12).

**Line 1c(6).** Include the current value of both income and non-income producing real property owned by the plan. Do not include the value of property that is employer real property or property used in plan operations that should be reported on lines 1d and 1e, respectively.

**Line 1c(7).** Enter the current value of all loans made by the plan, except participant loans reportable on line 1c(8). Include the sum of the value of loans for construction, securities loans, commercial and/or residential mortgage loans that are not subject to Code section 72(p) (either by making or participating in the loans directly or by purchasing loans originated by a third party), and other miscellaneous loans.

**Line 1c(8).** Enter the current value of all loans to participants including residential mortgage loans that are subject to Code section 72(p). Include the sum of the value of the unpaid principal balances, plus accrued but unpaid interest, if any, for participant loans made under an individual account plan with investment experience segregated for each account, that are made in accordance with 29 CFR 2550.408b-1 and secured solely by a portion of the participant’s vested accrued benefit. When applicable, combine this amount with the current value of any other participant loans. Do not include in column (b) a participant loan that has been deemed distributed during the plan year under the provisions of Code section 72(p) and Treasury Regulation section 1.72(p)-1, if both of the following circumstances apply:

1. Under the plan, the participant loan is treated as a directed investment solely of the participant’s individual account; and
2. As of the end of the plan year, the participant is not continuing repayment under the loan.

If both of these circumstances apply, report the loan as a deemed distribution on line 2g. However, if either of these circumstances does not apply, the current value of the participant loan (including interest accruing thereon after the deemed distribution) should be included in column (b) without regard to the occurrence of a deemed distribution.

**Note.** After a participant loan that has been deemed distributed is reported on line 2g, it is no longer to be reported as an asset on Schedule H or Schedule I unless, in a later year, the participant resumes repayment under the loan. However, such a loan (including interest accruing thereon after the deemed distribution) that has not been repaid is still considered outstanding for purposes of applying Code section 72(p)(2)(A) to determine the maximum amount of subsequent loans. Also, the deemed distribution is not treated as an actual distribution for other purposes, such as the qualification requirements of Code section 401, including, for example, the determination of top-heavy status under Code section 416 and the vesting requirements of Treasury Regulation section 1.411(a)-7(d)(5). See Q&As 12 and 19 of Treasury Regulation section 1.72(p)-1.

The entry on line 1c(8), column (b), of Schedule H (participant loans - end of year) or on line 1a, column (b), of Schedule I (plan assets - end of year) must include the current value of any participant loan that was reported as a deemed distribution on line 2g for any earlier year if the participant resumes repayment under the loan during the plan year. In addition, the amount to be entered on line 2g must be reduced by the amount of the participant loan that was reported as a deemed distribution on line 2g for the earlier year.

**Lines 1c(9), (10), (11), and (12).** Enter the total current value of the plan’s or DFE’s interest in DFEs on the appropriate lines as of the beginning and end of the plan or DFE year. The value of the plan’s or DFE’s interest in each DFE at the end of the plan or DFE year must be reported on the Schedule D (Form 5500).



The plan’s or DFE’s interest in CCTs and PSAs for which a DFE Form 5500 has not been filed may **not** be included on lines 1c(9) or 1c(10). The plan’s or DFE’s interest in the underlying assets of such CCTs and PSAs **must** be allocated and reported in the appropriate categories on a line-by-line basis on Part I of the Schedule H.

**Note.** For reporting purposes, a separate account that is not considered to be holding plan assets pursuant to 29 CFR 2510.3-101(h)(1)(iii) does not constitute a pooled separate account.

**Line 1c(14).** Use the same method for determining the value of the insurance contracts reported here as you used for line 3 of Schedule A (Form 5500), or, if line 3 is not required, line 6 of Schedule A (Form 5500).

**Line 1c(15).** Include all other investments not includable in lines 1c(1) through (14), such as options, index futures, repurchase agreements, state and municipal securities, collectibles, and other personal property.

**Line 1d(1).** An employer security is any security issued by an employer (including affiliates) of employees covered by the plan. These may include common stocks, preferred stocks, bonds, zero coupon bonds, debentures, convertible debentures, notes and commercial paper.

**Line 1d(2).** The term “employer real property” means real property (and related personal property) that is leased to an employer of employees covered by the plan, or to an affiliate of such employer. For purposes of determining the time at which a plan acquires employer real property for purposes of this line, such property shall be deemed to be acquired by the plan on the date on which the plan acquires the property or on the date on which the lease to the employer (or affiliate) is entered into, whichever is later.

**Line 1e.** Include the current (not book) value of the buildings and other property used in the operation of the plan. Buildings or other property held as plan investments should be reported in 1c(6) and 1d(2).

Do not include the value of future pension payments on lines 1g, h, i, j or k.

**Line 1g.** Noncash basis plans should include the total amount of benefit claims that have been processed and approved for payment by the plan. Welfare plans should also include “incurred but not reported” benefit claims.

**Line 1h.** Noncash basis plans should include the total amount of obligations owed by the plan which were incurred in the normal operations of the plan and have been approved for payment by the plan but have not been paid.

**Line 1i.** “Acquisition indebtedness”, for debt-financed property other than real property, means the outstanding amount of the principal debt incurred:

1. By the organization in acquiring or improving the property;
2. Before the acquisition or improvement of the property if the debt was incurred only to acquire or improve the property; or

3. After the acquisition or improvement of the property if the debt was incurred only to acquire or improve the property and was reasonably foreseeable at the time of such acquisition or improvement. For further explanation, see Code section 514(c).

**Line 1j.** Noncash basis plans should include amounts owed for any liabilities that would not be classified as benefit claims payable, operating payables, or acquisition indebtedness.

**Line 1l.** The entry in column (b) must equal the sum of the entry in column (a) plus lines 2k, 2l(1), and 2l(2).

**Line 2a.** Include the total cash contributions received and/or (for accrual basis plans) due to be received.

**Note.** Plans using the accrual basis of accounting should not include contributions designated for years before the 2003 plan year on line 2a.

**Line 2a(1)(B).** For welfare plans, report all employee contributions, including all elective contributions under a cafeteria plan (Code section 125). For pension plans, participant contributions, for purposes of this item, also include elective contributions under a qualified cash or deferred arrangement (Code section 401(k)).

**Line 2a(2).** Use the current value, at date contributed, of securities or other noncash property.

**Line 2b(1)(A).** Enter interest earned on interest-bearing cash, including earnings from sweep accounts, STIF accounts, money market accounts, certificates of deposit, etc. This is the interest earned on the investments reported on line 1c(1).

**Line 2b(1)(B).** Enter interest earned on U.S. Government Securities. This is the interest earned on the investments reported on line 1c(2).

**Line 2b(1)(C).** Generally, this is the interest earned on securities that are reported on lines 1(c)(3)(A) and (B) and 1d(1).

**Line 2b(2).** Generally, the dividends are for investments reported on line 1c(4)(A) and (B) and 1d(1). For accrual basis plans, include any dividends declared for stock held on the date of record, but not yet received as of the end of the plan year.

**Line 2b(3).** Generally, rents represent the income earned on the real property that is reported in items 1c(6) and 1d(2). Rents should be entered as a "Net" figure. Net rents are determined by taking the total rent received and subtracting all expenses directly associated with the property. If the real property is jointly used as income producing property and for the operation of the plan, that portion of the expenses attributable to the income producing portion of the property should be netted against the total rents received.

**Line 2b(4).** Enter in column (b), the total of net gain (loss) on sale of assets. This equals the sum of the net realized gain (or loss) on each asset held at the beginning of the plan year which was sold or exchanged during the plan year, and on each asset that was both acquired and disposed of within the plan year.

**Note.** As current value reporting is required for the Form 5500, assets are revalued to current value at the end of the plan year. For purposes of this form, the increase or decrease in the value of assets since the beginning of the plan year (if held on the first day of the plan year) or their acquisition date (if purchased during the plan year) is reported in line 2b(5) below, with two exceptions: (1) the realized gain (or loss) on each asset that was disposed of during the plan year is reported in 2b(4) (NOT on line 2b(5)), and (2) the net investment gain (or loss) from CCTs, PSAs, MTIAs, 103-12 IEs, and registered investment companies is reported in lines 2b(6) through (10).

The sum of the realized gain (or loss) of assets sold or exchanged during the plan year is to be calculated as follows:

1. Enter in 2b(4)(A), column (a), the sum of the amount received for these former assets;

2. Enter in 2b(4)(B), column (a), the sum of the current value of these former assets as of the beginning of the plan year and the purchase price for assets both acquired and disposed of during the plan year; and

3. Enter in 2b(4)(C), column (b), the result obtained when 2b(4)(B) is subtracted from 2b(4)(A). If entering a negative number, enter a minus sign "-" to the left of the number.

**Note.** Bond write-offs should be reported as realized losses.

**Line 2b(5).** Subtract the current value of assets at the beginning of the year plus the cost of any assets acquired during the plan year from the current value of assets at the end of the year to obtain this figure. If entering a negative number, enter a minus sign "-" to the left of the number. Do not include the value of assets reportable in lines 2b(4) and 2b(6) through 2b(10).

**Lines 2b(6), (7), (8), and (9).** Report all earnings, expenses, gains or losses, and unrealized appreciation or depreciation included in computing the net investment gain (or loss) from all CCTs, PSAs, MTIAs, and 103-12 IEs here. If some plan funds are held in any of these entities and other plan funds are held in other funding media, complete all applicable subitems of line 2 to report plan earnings and expenses relating to the other funding media. The net investment gain (or loss) allocated to the plan for the plan year from the plan's investment in these entities is equal to:

1. The sum of the current value of the plan's interest in each entity at the end of the plan year,

2. Minus the current value of the plan's interest in each entity at the beginning of the plan year,

3. Plus any amounts transferred out of each entity by the plan during the plan year, and

4. Minus any amounts transferred into each entity by the plan during the plan year.

Enter the net gain as a positive number or the net loss as a negative number.

**Note.** Enter the combined net investment gain or loss from all CCTs and PSAs, regardless of whether a DFE Form 5500 was filed for the CCTs and PSAs.

**Line 2b(10).** Enter net investment gain (loss) from registered investment companies here. Compute in the same manner as discussed above for lines 2b(6) through (9).

**Line 2c.** Include all other plan income earned that is not included in 2a or 2b. Do not include transfers from other plans that should be reported in line 2l.

**Line 2e(1).** Include the current value of all cash, securities, or other property at the date of distribution. Include all eligible rollover distributions as defined in Code section 401(a)(31)(C) paid at the participant's election to an eligible retirement plan (including an IRA within the meaning of section 401(a)(31)(D)).

**Line 2e(2).** Include payments to insurance companies and similar organizations such as Blue Cross, Blue Shield, and health maintenance organizations for the provision of plan benefits (e.g., paid-up annuities, accident insurance, health insurance, vision care, dental coverage, stop-loss insurance whose claims are paid to the plan (or which is otherwise an asset of the plan)), etc.

**Line 2e(3).** Include all payments made to other organizations or individuals providing benefits. Generally, these are individual providers of welfare benefits such as legal services, day care services, training and apprenticeship services.

**Line 2f.** Include on this line all distributions paid during the plan year of excess deferrals under Code section 402(g)(2)(A)(ii), excess contributions under section 401(k)(8), and excess aggregate contributions under section 401(m)(6). Include allocable income distributed. Also include on this line any elective deferrals and employee contributions distributed or returned to employees during the plan year in accordance with Treasury Regulation section 1.415-6(b)(6)(iv), as well as any attributable gains that were also distributed.

**Line 2g.** Report on line 2g a participant loan that has been deemed distributed during the plan year under the provisions of Code section 72(p) and Treasury Regulation section 1.72(p)-1 only if both of the following circumstances apply:



1. Under the plan, the participant loan is treated as a directed investment solely of the participant's individual account; and

2. As of the end of the plan year, the participant is not continuing repayment under the loan.

If either of these circumstances does not apply, a deemed distribution of a participant loan should not be reported on line 2g. Instead, the current value of the participant loan (including interest accruing thereon after the deemed distribution) should be included on line 1c(8), column (b) (participant loans - end of year), without regard to the occurrence of a deemed distribution.

**Note.** *The amount to be reported on line 2g of Schedule H or Schedule I must be reduced if, during the plan year, a participant resumes repayment under a participant loan reported as a deemed distribution on line 2g for any earlier year. The amount of the required reduction is the amount of the participant loan reported as a deemed distribution on line 2g for the earlier year. If entering a negative number, enter a minus sign “-” to the left of the number. The current value of the participant loan must then be included in line 1c(8), column (b), of Schedule H (participant loans - end of year) or in line 1a, column (b), of Schedule I (plan assets - end of year).*

*Although certain participant loans that are deemed distributed are to be reported on line 2g of the Schedule H or Schedule I, and are not to be reported on the Schedule H or Schedule I as an asset thereafter (unless the participant resumes repayment under the loan in a later year), they are still considered outstanding loans and are not treated as actual distributions for certain purposes. See Q&As 12 and 19 of Treasury Regulation section 1.72(p)-1.*

**Line 2h.** Interest expense is a monetary charge for the use of money borrowed by the plan. This amount should include the total of interest paid or to be paid (for accrual basis plans) during the plan year.

**Line 2i.** Report all administrative expenses (by specified category) paid by or charged to the plan, including those that were not subtracted from the gross income of CCTs, PSAs, MTIAs, and 103-12 IEs in determining their net investment gain(s) or loss(es). Expenses incurred in the general operations of the plan are classified as administrative expenses.

**Line 2i(1).** Include the total fees paid (or in the case of accrual basis plans costs incurred during the plan year but not paid as of the end of the plan year) by the plan for outside accounting, actuarial, legal, and valuation/appraisal services. Include fees for the annual audit of the plan by an independent qualified public accountant; for payroll audits; for accounting/bookkeeping services; for actuarial services rendered to the plan, and to a lawyer for rendering legal opinions, litigation, and advice (but not for providing legal services as a benefit to plan participants). Include the fee(s) for valuations or appraisals to determine the cost, quality, or value of an item such as real property, personal property (gemstones, coins, etc.), and for valuations of closely held securities for which there is no ready market. Do not include amounts paid to plan employees to perform bookkeeping/accounting functions that should be included in 2i(4).

**Line 2i(2).** Enter the total fees paid (or in the case of accrual basis plans, costs incurred during the plan year but not paid as of the end of the plan year) to a contract administrator for performing administrative services for the plan. For purposes of the return/report, a contract administrator is any individual, partnership or corporation, responsible for managing the clerical operations (e.g., handling membership rosters, claims payments, maintaining books and records) of the plan on a contractual basis. Do not include salaried staff or employees of the plan or banks or insurance carriers.

**Line 2i(3).** Enter the total fees paid (or in the case of accrual basis plans, costs incurred during the plan year but not paid as of the end of the plan year) to an individual, partnership or

corporation (or other person) for advice to the plan relating to its investment portfolio. These may include fees paid to manage the plan's investments, fees for specific advice on a particular investment, and fees for the evaluation of the plan's investment performance.

**Line 2i(4).** Other expenses are those that cannot be included in 2i(1) through 2i(3). These may include plan expenditures such as salaries and other compensation and allowances (e.g., payment of premiums to provide health insurance benefits to plan employees), expenses for office supplies and equipment, cars, telephone, postage, rent, expenses associated with the ownership of a building used in the operation of the plan, all miscellaneous expenses and trustees' fees and reimbursement of expenses associated with trustees such as lost time, seminars, travel, meetings, etc.

**Line 2l.** Include in these reconciliation figures the value of all transfers of assets or liabilities into or out of the plan resulting from, among other things, mergers and consolidations. A transfer of assets or liabilities occurs when there is a reduction of assets or liabilities with respect to one plan and the receipt of these assets or the assumption of these liabilities by another plan. A transfer is not a shifting of one plan's assets or liabilities from one investment to another. A transfer is not a distribution of all or part of an individual participant's account balance that is reportable on **Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., (see the instructions for line 2e). Transfers out at the end of the year should be reported as occurring during the plan year.

**Note.** *If this Schedule H is filed for a DFE, report the value of all asset transfers to the DFE, including those resulting from contributions to participating plans on line 2l(1), and report the total value of all assets transferred out of the DFE, including assets withdrawn for disbursement as benefit payments by participating plans, on line 2l(2). Contributions and benefit payments are considered to be made to/by the plan (not to/by a DFE).*

**Line 3.** The administrator of an employee benefit plan who files a Schedule H (Form 5500) generally must engage an independent qualified public accountant (IQPA) pursuant to ERISA section 103(a)(3)(A) and 29 CFR 2520.103-1(b). This requirement also applies to a Form 5500 filed for a 103-12 IE and for a GIA (see 29 CFR 2520.103-12 and 29 CFR 2520.103-2). The accountant's report must be attached to the Form 5500 when a Schedule H (Form 5500) is attached unless line 3d(1) or 3d(2) on the Schedule H is checked.

29 CFR 2520.103-1(b) requires that any separate financial statements prepared in order for the independent qualified public accountant to form the opinion and notes to these financial statements must be attached to the Form 5500. Any separate statements must include the information required to be disclosed in Parts I and II of the Schedule H; however, they may be aggregated into categories in a manner other than that used on the Schedule H. The separate statements should be either typewritten or printed and consist of reproductions of Parts I and II or statements incorporating by references Parts I and II. See ERISA section 103(a)(3)(A), and the DOL regulations 29 CFR 2520.103-1(a)(2) and (b), 2520.103-2, and 2520.104-50.

**Note.** *Delinquent participant contributions reported on line 4a should be treated as part of the separate schedules referenced in ERISA section 103(a)(3)(A) and 29 CFR 2520.103-1(b) and 2520.103-2(b) for purposes of preparing the accountant's opinion described on line 3 even though they are no longer required to be listed on Part III of the Schedule G. If the information contained on line 4a is not presented in accordance with regulatory requirements, the IQPA report must make the appropriate disclosures in accordance with generally accepted auditing standards. Delinquent participant contributions that are exempt because they satisfy the DOL Voluntary Fiduciary Correction Program (VFCP) requirements and the conditions of*

*Prohibited Transaction Exemption (PTE) 2002-51 do not need to be treated as part of the schedule of nonexempt party-in-interest transactions.*

If the required accountant's report is not attached to the Form 5500, the filing is subject to rejection as incomplete and penalties may be assessed.

**Lines 3a(1) through 3a(4).** These boxes identify the type of opinion offered by the accountant. Enter the name and EIN of the accountant (or accounting firm) in the space provided on line 3c.

**Line 3a(1).** Check if an unqualified opinion was issued. Generally, an unqualified opinion is issued when the independent qualified public accountant concludes that the plan's financial statements present fairly, in all material respects, the financial status of the plan as of the end of the period audited and the changes in its financial status for the period under audit in conformity with generally accepted accounting principles (GAAP) or an other comprehensive basis of accounting (OCBOA), e.g., cash basis.

**Line 3a(2).** Check if a qualified opinion was issued. Generally, a qualified opinion is issued by an independent qualified public accountant when the plan's financial statements present fairly, in all material respects, the financial status of the plan as of the end of the audit period and the changes in its financial status for the period under audit in conformity with GAAP or OCBOA, except for the effects of one or more matters described in the opinion.

**Line 3a(3).** Check if a disclaimer of opinion was issued. A disclaimer of opinion is issued when the independent qualified public accountant does not express an opinion on the financial statements because he or she has not performed an audit sufficient in scope to enable him or her to form an opinion on the financial statements.

**Line 3a(4).** Check if the plan received an adverse accountant's opinion. Generally, an adverse opinion is issued by an independent qualified public accountant when the plan's financial statements do not present fairly, in all material respects, the financial status of the plan as of the end of the audit period and the changes in its financial status for the period under audit in conformity with GAAP or OCBOA.

**Line 3b.** Check this box if a box is checked on line 3a and the scope of the plan's audit was limited pursuant to DOL regulations 29 CFR 2520.103-8 and 2520.103-12(d) because the examination and report of an independent qualified accountant did not extend to: (a) statements or information regarding assets held by a bank, similar institution or insurance carrier that is regulated and supervised and subject to periodic examination by a state or Federal agency provided that the statements or information are prepared by and certified to by the bank or similar institution or an insurance carrier, or (b) information included with the Form 5500 filed for a 103-12 IE. The term "similar institution" as used here does not extend to securities brokerage firms (see DOL Advisory Opinion 93-21A). See 29 CFR 2520.103-8 and 2520.103-12(d).

**Note.** These regulations do not exempt the plan administrator from engaging an accountant or from attaching the accountant's report to the Form 5500. If you check line 3b, you must also check the appropriate box on line 3a to identify the type of opinion offered by the accountant.

**Line 3d(1).** Check this box only if the Schedule H is being filed for a CCT, PSA, or MTIA.

**Line 3d(2).** Check this box if the plan has elected to defer attaching the accountant's opinion for the first of 2 consecutive plan years, one of which is a short plan year of 7 months or less. The Form 5500 for the first of the 2 years must be complete and accurate, with all required attachments, except for the accountant's report, including an attachment explaining why one of the 2 plan years is of 7 or fewer months duration and stating that the annual report for the immediately following plan year will include a report of an independent qualified public

accountant with respect to the financial statements and accompanying schedules for both of the 2 plan years. The Form 5500 for the second year must include: (a) financial schedules and statements for both plan years; (b) a report of an independent qualified public accountant with respect to the financial schedules and statements for each of the 2 plan years (regardless of the number of participants covered at the beginning of each plan year); and (c) a statement identifying any material differences between the unaudited financial information submitted with the first Form 5500 and the audited financial information submitted with the second Form 5500. See 29 CFR 2520.104-50.

**Note.** Do not check the box on line 3d(2) if the Form 5500 is filed for a 103-12 IE or a GIA. A deferral of the accountant's opinion is not permitted for a 103-12 IE or a GIA. If an E or G is entered on Form 5500, Part I, line A(4), an accountant's opinion must be attached to the Form 5500 and the type of opinion must be reported on Schedule H, line 3a.

**Lines 4a through 4k.** Plans completing Schedule H must answer all these lines either "Yes" or "No." If lines 4a through 4h are "Yes," an amount must be entered where indicated. Report investments in CCTs, PSAs, MTIAs, and 103-12 IEs, but not the investments made by these entities. Plans with all of their funds held in a master trust should check "No" on line 4b, 4c, 4i, and 4j. CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, or 4k. 103-12 IEs also do not complete line 4j.

**Line 4a.** Amounts paid by a participant or beneficiary to an employer and/or withheld by an employer for contribution to the plan are participant contributions that become plan assets as of the earliest date on which such contributions can reasonably be segregated from the employer's general assets (see 29 CFR 2510.3-102). Plans that check "Yes" must enter the aggregate amount of all late contributions for the year. An employer holding these assets after that date commingled with its general assets will have engaged in a prohibited use of plan assets (see ERISA section 406). If such a nonexempt prohibited transaction occurred with respect to a disqualified person (see Code section 4975(e)(2)), file **Form 5330**, Return of Excise Taxes Related to Employee Benefit Plans, with the IRS to pay any applicable excise tax on the transaction. If no participant contributions were received or withheld by the employer during the plan year, answer "No."



**Delinquent participant contributions reported on line 4a should be treated as part of the separate schedules referenced in ERISA section 103(a)(3)(A) and 29 CFR 2520.103-1(b) and 2520.103-2(b) for purposes of preparing the accountant's opinion described on line 3 even though they are no longer required to be listed on Part III of the Schedule G. If the information contained on line 4a is not presented in accordance with regulatory requirements, the IQPA report must make the appropriate disclosures in accordance with generally accepted auditing standards. Although all delinquent participant contributions must be reported on line 4a, delinquent contributions for which the DOL Voluntary Fiduciary Correction Program (VFCP) requirements and the conditions of Prohibited Transaction Exemption (PTE) 2002-51 have been satisfied do not need to be treated as nonexempt party-in-interest transactions.**

*The VFCP describes how to apply, the specific transactions covered (which transactions include delinquent participant contributions to pension and welfare plans), and acceptable methods for correcting violations. In addition, applicants that satisfy both the VFCP requirements and the conditions of PTE 2002-51 are eligible for immediate relief from payment of certain prohibited transaction excise taxes for certain corrected transactions. For more information, see 67 Fed. Reg. 15062 and 67 Fed. Reg. 70623 (November 25, 2002). Information about the VFCP is also available on the Internet at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).*

**Line 4b.** Plans that check “Yes” must enter the amount and complete Part I of Schedule G. The due date, payment amount and conditions for determining default of a note or loan are usually contained in the documents establishing the note or loan. A loan by the plan is in default when the borrower is unable to pay the obligation upon maturity. Obligations that require periodic repayment can default at any time. Generally, loans and fixed income obligations are considered uncollectible when payment has not been made and there is little probability that payment will be made. A fixed income obligation has a fixed maturity date at a specified interest rate. Do not include participant loans made under an individual account plan with investment experience segregated for each account that were made in accordance with 29 CFR 2550.408b-1 and secured solely by a portion of the participant’s vested accrued benefit.

**Line 4c.** Plans that check “Yes” must enter the amount and complete Part II of Schedule G. A lease is an agreement conveying the right to use property, plant or equipment for a stated period. A lease is in default when the required payment(s) has not been made. An uncollectible lease is one where the required payments have not been made and for which there is little probability that payment will be made.

**Line 4d.** Plans that check “Yes” must enter the amount and complete Part III of Schedule G. Check “Yes” if any nonexempt transaction with a party-in-interest occurred regardless of whether the transaction is disclosed in the accountant’s report. Do not check “Yes” or complete Schedule G, Part III, with respect to transactions that are: **(1)** statutorily exempt under Part 4 of Title I of ERISA; **(2)** administratively exempt under ERISA section 408(a); **(3)** exempt under Code sections 4975(c) or 4975(d); **(4)** the holding of participant contributions in the employer’s general assets for a welfare plan that meets the conditions of ERISA Technical Release 92-01; **(5)** a transaction of a 103-12 IE with parties other than the plan; or **(6)** delinquent participant contributions reported on line 4a.

**Note.** See the instructions for Part III of the Schedule G (Form 5500) concerning non-exempt transactions and party-in-interest.

You may indicate that an application for an administrative exemption is pending. If you are unsure as to whether a transaction is exempt or not, you should consult with either the plan’s independent qualified public accountant or legal counsel or both.



*Applicants that satisfy the VFCP requirements and the conditions of PTE 2002-51 (see the instructions for line 4a) are eligible for immediate relief from payment of certain prohibited transaction excise taxes for certain corrected transactions. For more information, see 67 Fed. Reg. 15062 and 67 Fed. Reg. 70623 (November 25, 2002). When the conditions of PTE 2002-51 have been satisfied, the corrected transactions should be treated as exempt under Code section 4975(c) for the purposes of answering line 4d.*

**Line 4e.** Plans that check “Yes” must enter the aggregate amount of coverage for all claims. Check “Yes” only if the plan itself (as opposed to the plan sponsor or administrator) is a named insured under a fidelity bond from an approved surety covering plan officials and that protects the plan as described in 29 CFR Part 2580. Generally, every plan official of an employee benefit plan who “handles” funds or other property of such plan must be bonded. Generally, a person shall be deemed to be “handling” funds or other property of a plan, so as to require bonding, whenever his or her other duties or activities with respect to given funds are such that there is a risk that such funds could be lost in the event of fraud or dishonesty on the part of such person, acting either alone or in collusion with others. Section 412 of ERISA and DOL regulations 29 CFR

2580 provide the bonding requirements, including the definition of “handling” (29 CFR 2580.412-6), the permissible forms of bonds (29 CFR 2580.412-10), the amount of the bond (29 CFR 2580, subpart C), and certain exemptions such as the exemption for unfunded plans, certain banks and insurance companies (ERISA section 412), and the exemption allowing plan officials to purchase bonds from surety companies authorized by the Secretary of the Treasury as acceptable reinsurers on Federal bonds (29 CFR 2580.412-23). Information concerning the list of approved sureties and reinsurers is available on the Internet at [www.fms.treas.gov/c570](http://www.fms.treas.gov/c570).

**Note.** Plans are permitted under certain conditions to purchase fiduciary liability insurance. These policies do not protect the plan from dishonest acts and are not bonds that should be reported in line 4e.

**Line 4f.** Check “Yes,” if the plan had suffered or discovered any loss as a result of any dishonest or fraudulent act(s) even if the loss was reimbursed by the plan’s fidelity bond or from any other source. If “Yes” is checked enter the full amount of the loss. If the full amount of the loss has not yet been determined, provide an estimate and disclose that the figure is an estimate, such as “@1000.”



*Willful failure to report is a criminal offense. See ERISA section 501.*

**Lines 4g and 4h.** *Current value* means fair market value where available. Otherwise, it means the fair value as determined in good faith under the terms of the plan by a trustee or a named fiduciary, assuming an orderly liquidation at the time of the determination. See ERISA section 3(26).

An accurate assessment of fair market value is essential to a pension plan’s ability to comply with the requirements set forth in the Code (e.g., the exclusive benefit rule of Code section 401(a)(2), the limitations on benefits and contributions under Code section 415, and the minimum funding requirements under Code section 412) and must be determined annually.

Examples of assets that may not have a readily determinable value on an established market (e.g., NYSE, AMEX, over the counter, etc.) include real estate, nonpublicly traded securities, shares in a limited partnership, and collectibles. Do not check “Yes” on line 4g if the plan is a defined contribution plan and the only assets the plan holds, that do not have a readily determinable value on an established market, are: **(1)** participant loans not in default, or **(2)** assets over which the participant exercises control within the meaning of section 404(c) of ERISA.

Although the current value of plan assets must be determined each year, there is no requirement that the assets (other than certain nonpublicly traded employer securities held in ESOPs) be valued every year by independent third-party appraisers.

Enter in the amount column the fair market value of the assets referred to on line 4g whose value was not readily determinable on an established market and which were not valued by an independent third-party appraiser in the plan year. Generally, as it relates to these questions, an appraisal by an independent third party is an evaluation of the value of an asset prepared by an individual or firm who knows how to judge the value of such assets and does not have an ongoing relationship with the plan or plan fiduciaries except for preparing the appraisals.

**Line 4i.** Check “Yes” if the plan had any assets held for investment purposes, and attach a schedule of assets held for investment purposes at end of year, a schedule of assets held for investment purposes that were both acquired and disposed of within the plan year, or both, as applicable. The schedules must use the format set forth below or a similar format and the same size paper as the Form 5500. See 29 CFR 2520.103-11.

Assets held for investment purposes shall include:

- Any investment asset held by the plan on the last day of the plan year; and
- Any investment asset purchased during the plan year and sold before the end of the plan year except:
  1. Debt obligations of the U.S. or any U.S. agency.
  2. Interests issued by a company registered under the Investment Company Act of 1940 (e.g., a mutual fund).
  3. Bank certificates of deposit with a maturity of one year or less.
  4. Commercial paper with a maturity of 9 months or less if it is valued in the highest rating category by at least two nationally recognized statistical rating services and is issued by a company required to file reports with the Securities and Exchange Commission under section 13 of the Securities Exchange Act of 1934.
  5. Participations in a bank common or collective trust.
  6. Participations in an insurance company pooled separate account.
  7. Securities purchased from a broker-dealer registered under the Securities Exchange Act of 1934 and either: **(1)** listed

on a national securities exchange and registered under section 6 of the Securities Exchange Act of 1934, or **(2)** quoted on NASDAQ.

Assets held for investment purposes shall not include any investment that was not held by the plan on the last day of the plan year if that investment is reported in the annual report for that plan year in any of the following:

1. The schedule of loans or fixed income obligations in default required by Schedule G, Part I;
2. The schedule of leases in default or classified as uncollectible required by Schedule G, Part II;
3. The schedule of non-exempt transactions required by Schedule G, Part III; and
4. The schedule of reportable transactions required by Schedule H, line 4j.

**Line 4j.** Check “Yes” and attach to the Form 5500 the following schedule if the plan had any reportable transactions (see 29 CFR 2520.103-6 and the examples provided in the regulation). The schedule must use the format set forth below or a similar format and the same size paper as the Form 5500. See 29 CFR 2520.103-11.

A reportable transaction includes:

1. A single transaction within the plan year in excess of 5% of the current value of the plan assets;
2. Any series of transactions with or in conjunction with the same person, involving property other than securities, which amount in the aggregate within the plan year (regardless of the

**Line 4i schedules.** The first schedule required to be attached is a schedule of all assets held for investment purposes at the end of the plan year, aggregated and identified by issue, maturity date, rate of interest, collateral, par or maturity value, cost and current value, and, in the case of a loan, the payment schedule.

This schedule must be clearly labeled “**Schedule H, line 4i—Schedule of Assets (Held At End of Year).**”

In column (a), place an asterisk (\*) on the line of each identified person known to be a party-in-interest to the plan. In column (c), include any restriction on transferability of corporate securities. (Include lending of securities permitted under Prohibited Transactions Exemption 81-6.)

(a) (b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current value

The second schedule required to be attached is a schedule of investment assets that were both acquired and disposed of within the plan year. This schedule must be clearly labeled “**Schedule H, line 4i—Schedule of Assets (Acquired and Disposed of Within Year).**”

(a) Identity of issue, borrower, lessor, or similar party	(b) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(c) Costs of acquisitions	(d) Proceeds of dispositions

**Notes:** **(1)** Participant loans under an individual account plan with investment experience segregated for each account, that are made in accordance with 29 CFR 2550.408b-1 and that are secured solely by a portion of the participant’s vested accrued benefit, may be aggregated for reporting purposes in item 4i. Under identity of borrower enter “Participant loans,” under rate of interest enter the lowest rate and the highest rate charged during the plan year (e.g., 8%–10%), under the cost and proceeds columns enter zero, and under current value enter the total amount of these loans. **(2)** Column (d) cost information for the **Schedule of Assets (Held At End of Year)** and the column (c) cost of acquisitions information for the **Schedule of Assets (Acquired and Disposed of Within Year)** may be omitted when reporting investments of an individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account (including a negative election authorized under the terms of the plan). **(3)** Participant-directed brokerage account assets reported in the aggregate on line 1c(15) should be treated as one asset held for investment for purposes of the line 4i schedules, except investments in tangible personal property must continue to be reported as separate assets on the line 4i schedules.

**Line 4j schedule.** The schedule required to be attached is a schedule of reportable transactions that must be clearly labeled **“Schedule H, line 4j — Schedule of Reportable Transactions.”**

(a) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	(e) Lease rental	(f) Expense incurred with transaction	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)

category of asset and the gain or loss on any transaction) to more than 5% of the current value of plan assets;

**3.** Any transaction within the plan year involving securities of the same issue if within the plan year any series of transactions with respect to such securities amount in the aggregate to more than 5% of the current value of the plan assets; and

**4.** Any transaction within the plan year with respect to securities with, or in conjunction with, a person if any prior or subsequent single transaction within the plan year with such person, with respect to securities, exceeds 5% of the current value of plan assets.

The 5% figure is determined by comparing the current value of the transaction at the transaction date with the current value of the plan assets at the beginning of the plan year. If this is the **initial** plan year, you may use the current value of plan assets at the end of the plan year to determine the 5% figure.

If the assets of two or more plans are maintained in one trust, except as provided below, the plan’s allocable portion of the transactions of the trust shall be combined with the other transactions of the plan, if any, to determine which transactions (or series of transactions) are reportable (5%) transactions.

For investments in common/collective trusts, pooled separate accounts, 103-12 IEs and registered investment companies, determine the 5% figure by comparing the transaction date value of the acquisition and/or disposition of units of participation or shares in the entity with the current value of the plan assets at the beginning of the plan year. If the Schedule H is attached to a Form 5500 filed for a plan with all plan funds held in a master trust, check “No” on line 4j. Plans with assets in a master trust that have other transactions should determine the 5% figure by subtracting the current value of plan assets held in the master trust from the current value of all plan assets at the beginning of the plan year and check “Yes” or “No,” as appropriate. Do not include individual transactions of common/collective trusts, pooled separate accounts, master trust investment accounts, 103-12 IEs and registered investment companies in which this plan or DFE invests.

In the case of a purchase or sale of a security on the market, do not identify the person from whom purchased or to whom sold.

**Special rule for certain participant-directed transactions.** Transactions under an individual account plan that a participant or beneficiary directed with respect to assets allocated to his or her account (including a negative election authorized under the terms of the plan) should not be treated for purposes of line 4j as reportable transactions. The current value of all assets of the plan, including these participant-directed transactions, should be included in determining the 5% figure for all other transactions.

**Line 4k.** Check “Yes” if all the plan assets (including insurance/annuity contracts) were distributed to the participants

and beneficiaries, legally transferred to the control of another plan, or brought under the control of the PBGC.

Check “No” for a welfare benefit plan that is still liable to pay benefits for claims incurred before the termination date, but not yet paid. See 29 CFR 2520.104b-2(g)(2)(ii).

**Note.** If “Yes” was checked on line 4k because all plan assets were distributed to participants and/or beneficiaries, you are encouraged to complete Schedule SSA (Form 5500), listing each participant reported on a previous Schedule SSA (Form 5500) who has received all of his/her plan benefits, and therefore, is no longer entitled to receive deferred vested benefits. This will ensure that SSA’s records are correct, and help eliminate confusion for participants and plan administrators in the future. See the instructions to the Schedule SSA (Form 5500) for greater detail.

**Line 5a.** Check “Yes” if a resolution to terminate the plan was adopted during this or any prior plan year, unless the termination was revoked and no assets reverted to the employer. If “Yes” is checked, enter the amount of plan assets that reverted to the employer during the plan year in connection with the implementation of such termination. Enter “-0-” if no reversion occurred during the current plan year.



A Form 5500 must be filed for each year the plan has assets, and, for a welfare benefit plan, if the plan is still liable to pay benefits for claims incurred before the termination date, but not yet paid. See 29 CFR 2520.104b-2(g)(2)(ii).

**Line 5b.** Enter information concerning assets and/or liabilities transferred from this plan to another plan(s) (including spin-offs) during the plan year. A transfer of assets or liabilities occurs when there is a reduction of assets or liabilities with respect to one plan and the receipt of these assets or the assumption of these liabilities by another plan. Enter the name, PN, and EIN of the transferee plan(s) involved on lines 5b(1), (2) and (3). If there are more than four plans, include an attachment with the information required for 5b(1), (2) and (3) for each additional plan and label the attachment, **“Schedule H, line 5b – Additional Plans.”**

**Note.** A distribution of all or part of an individual participant’s account balance that is reportable on **Form 1099-R** should not be included on line 5b. Do not submit Form 1099-R with the Form 5500.



**Form 5310-A, Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities; Notice of Qualified Separate Lines of Business, must be filed at least 30 days before any plan merger or consolidation or any transfer of plan assets or liabilities to another plan. There is a penalty for not filing Form 5310-A on time. In addition, a transfer of benefit liabilities involving a plan covered by PBGC insurance may be reportable to the PBGC (see PBGC Form 10 and Form 10-Advance).**

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## 2003 Instructions for Schedule I (Form 5500)

### Financial Information – Small Plan

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#### General Instructions

##### Who Must File

Schedule I (Form 5500) must be attached to a Form 5500 filed for pension benefit plans and welfare benefit plans that covered fewer than 100 participants as of the beginning of the plan year.

**Exception.** If a Schedule I was filed for the plan for the 2002 plan year and the plan covered fewer than 121 participants as of the beginning of the 2003 plan year, the Schedule I may be completed instead of a Schedule H.

**Note.** Certain insured, unfunded or combination unfunded/insured welfare plans are exempt from filing the Form 5500 and the Schedule I. In addition, certain fully insured pension plans are exempt from completing the Schedule I. See the Form 5500 instructions for **Who Must File** on page 3 and **Limited Pension Plan Reporting** on page 8 for more information.

Check the Schedule I box on the Form 5500 (Part II, line 10b(2)) if a Schedule I is attached to the Form 5500. Do not attach both a Schedule I and a Schedule H to the same Form 5500.

##### Specific Instructions

**Lines A, B, C, and D.** This information should be the same as reported in Part II of the Form 5500 to which this Schedule I is attached. You may abbreviate the plan name (if necessary) to fit in the space provided.

**Note.** Do not mark through the printed line descriptions on the Schedule I and insert your own description as this may cause additional correspondence due to a computerized review of the Schedule I.

Use either the cash, modified cash, or accrual basis for recognition of transactions, as long as you use one method consistently. Round off all amounts reported on the Schedule I to the nearest dollar. Any other amounts are subject to rejection. Check all subtotals and totals carefully.

If the assets of two or more plans are maintained in one fund, such as when an employer has two plans funded through a single trust (except a DFE), complete Parts I and II by entering the plan's allocable part of each line item.

If assets of one plan are maintained in two or more trust funds, report the combined financial information in Part I.

*Current value* means fair market value where available. Otherwise, it means the fair value as determined in good faith under the terms of the plan by a trustee or a named fiduciary, assuming an orderly liquidation at time of the determination. See ERISA section 3(26).

##### Part I - Small Plan Financial Information

Amounts reported on line 1a, 1b, and 1c for the beginning of the plan year must be the same as reported for the end of the plan year for corresponding lines on the return/report for the preceding plan year.

Do not include contributions designated for the 2003 plan year in column (a).

**Line 1a.** A plan with assets held in common/collective trusts, pooled separate accounts, master trust investment accounts, and/or 103-12 IEs must also attach Schedule D (Form 5500).

Use the same method for determining the value of the plan's interest in an insurance company general account (unallocated contracts) that you used for line 3 of Schedule A (Form 5500), or, if line 3 is not required, line 6 of Schedule A (Form 5500).

**Note.** Do not include in column (b) a participant loan that has been deemed distributed during the plan year under the provisions of Code section 72(p) and Treasury Regulation section 1.72(p)-1, if both of the following circumstances apply:

1. Under the plan, the participant loan is treated as a direct investment solely of the participant's individual account; and
2. As of the end of the plan year, the participant is not continuing repayment under the loan.

*If the deemed distributed participant loan is included in column (a) and both of these circumstances apply, report the loan as a deemed distribution on line 2g. However, if either of these circumstances does not apply, the current value of the participant loan (including interest accruing thereon after the deemed distribution) should be included in column (b) without regard to the occurrence of a deemed distribution.*

*After a participant loan that has been deemed distributed is reported on line 2g, it is no longer to be reported as an asset on Schedule H or Schedule I unless, in a later year, the participant resumes repayment under the loan. However, such a loan (including interest accruing thereon after the deemed distribution) that has not been repaid is still considered outstanding for purposes of applying Code section 72(p)(2)(A) to determine the maximum amount of subsequent loans. Also, the deemed distribution is not treated as an actual distribution for other purposes, such as the qualification requirements of Code section 401, including, for example, the determination of top-heavy status under Code section 416 and the vesting requirements of Treasury Regulation section 1.411(a)-7(d)(5). See Q&As 12 and 19 of Treasury Regulation section 1.72(p)-1.*

*The entry on line 1a, column (b), of Schedule I (plan assets - end of year) or on line 1c(8), column (b), of Schedule H (participant loans - end of year) must include the current value of any participant loan reported as a deemed distribution on line 2g for any earlier year if, during the plan year, the participant resumes repayment under the loan. In addition, the amount to be entered on line 2g must be reduced by the amount of the participant loan reported as a deemed distribution on line 2g for the earlier year.*

**Line 1b.** Enter the total liabilities at the beginning and end of the plan year. Liabilities to be entered here do not include the value of future pension payments to plan participants. However, the amount to be entered in line 1b for accrual basis filers includes, among other things:

1. Benefit claims that have been processed and approved for payment by the plan but have not been paid (including all incurred but not reported welfare benefit claims);
2. Accounts payable obligations owed by the plan that were incurred in the normal operations of the plan but have not been paid; and
3. Other liabilities such as acquisition indebtedness and any other amount owed by the plan.

**Line 1c.** Enter the net assets as of the beginning and end of the plan year. (Subtract line 1b from 1a.) Line 1c, column (b) must equal the sum of line 1c, column (a) plus lines 2j and 2k.

**Line 2a.** Include the total cash contributions received and/or (for accrual basis plans) due to be received.

**Line 2a(1).** Plans using the accrual basis of accounting should not include contributions designated for years before the 2003 plan year on line 2a(1).

**Line 2a(2).** For welfare plans, report all employee contributions, including all elective contributions under a cafeteria plan (Code section 125). For pension plans, participant contributions, for purposes of this item, also include elective contributions under a qualified cash or deferred arrangement (Code section 401(k)).

**Line 2b.** Use the current value, at date contributed, of securities or other noncash property.

**Line 2d.** Enter the total of all cash contributions (line 2a(1) through (3)), noncash contributions (line 2b), and other plan

income during the plan year. If entering a negative number, enter a minus sign “-” to the left of the number. Plan income received and/or receivable may include, among other things:

1. Interest on investments (including money market accounts, sweep accounts, STIF accounts, etc.).
2. Dividends. (Accrual basis plans should include dividends declared for all stock held by the plan even if the dividends have not been received as of the end of the plan year.)
3. Rents from income-producing property owned by the plan.
4. Royalties.
5. Net gain or loss from the sale of assets.
6. Other income such as unrealized appreciation (depreciation) in plan assets. To compute this amount subtract the current value of all assets at the beginning of the year plus the cost of any assets acquired during the plan year from the current value of all assets at the end of the year minus assets disposed of during the plan year.

**Line 2e.** Include: **(1)** payments made (and for accrual basis filers payments due) to or on behalf of participants or beneficiaries in cash, securities, or other property (including rollovers of an individual’s accrued benefit or account balance). Include all eligible rollover distributions as defined in Code section 401(a)(31)(D) paid at the participant’s election to an eligible retirement plan (including an IRA within the meaning of section 401(a)(31)(E)); **(2)** payments to insurance companies and similar organizations such as Blue Cross, Blue Shield, and health maintenance organizations for the provision of plan benefits (e.g., paid-up annuities, accident insurance, health insurance, vision care, dental coverage, etc.); and **(3)** payments made to other organizations or individuals providing benefits. Generally, these payments discussed in (3) are made to individual providers of welfare benefits such as legal services, day care services, and training and apprenticeship services. If securities or other property are distributed to plan participants or beneficiaries, include the current value on the date of distribution.

**Line 2f.** Include all distributions paid during the plan year of excess deferrals under Code section 402(g)(2)(A)(ii), excess contributions under section 401(k)(8), and excess aggregate contributions under section 401(m)(6), allocable income distributed, and any elective deferrals and employee contributions distributed or returned to employees during the plan year in accordance with Treasury Regulation section 1.415-6(b)(6)(iv), as well as any attributable gains that were also distributed.

**Line 2g.** Report on line 2g a participant loan included in line 1a, column (a) (participant loans - beginning of year) and that has been deemed distributed during the plan year under the provisions of Code section 72(p) and Treasury Regulation section 1.72(p)-1 only if both of the following circumstances apply:

1. Under the plan, the participant loan is treated as a directed investment solely of the participant’s individual account; and
2. As of the end of the plan year, the participant is not continuing repayment under the loan.

If either of these circumstances does not apply, a deemed distribution of a participant loan should not be reported on line 2g. Instead, the current value of the participant loan (including interest accruing thereon after the deemed distribution) should be included on line 1a, column (b) (plan assets - end of year), without regard to the occurrence of a deemed distribution.

**Note.** *The amount to be reported on line 2g of Schedule H or Schedule I must be reduced if, during the plan year, a participant resumes repayment under a participant loan reported as a deemed distribution on line 2g for any earlier year. The amount of the required reduction is the amount of the participant loan that was reported as a deemed distribution on line 2g for the earlier year. If entering a negative number, enter*

*a minus sign “-” to the left of the number. The current value of the participant loan must then be included in line 1c(8), column (b), of Schedule H (participant loans - end of year) or in line 1a, column (b), of Schedule I (plan assets - end of year).*

*Although certain participant loans deemed distributed are to be reported on line 2g of the Schedule H or Schedule I, and are not to be reported on the Schedule H or Schedule I as an asset thereafter (unless the participant resumes repayment under the loan in a later year), they are still considered outstanding loans and are not treated as actual distributions for certain purposes. See Q&As 12 and 19 of Treasury Regulation section 1.72(p)-1.*

**Line 2h.** Other expenses (paid and/or payable) may include, among others:

1. Salaries to employees of the plan;
2. Expenses for accounting, actuarial, legal, and investment services;
3. Fees and expenses for trustees including reimbursement for travel, seminars, and meeting expenses;
4. Fees paid for valuations and appraisals; and
5. Other administrative and miscellaneous expenses paid by or charged to the plan, including those that were not subtracted from the gross income of master trust investment accounts and 103-12 IEs in determining their net investment gain(s) or loss(es).

**Line 2i.** Enter the total of all benefits paid or due as reported on lines 2e, 2f, and 2g and all other plan expenses (line 2h) during the year.

**Line 2k.** Enter the net value of all assets transferred to and from the plan during the plan year including those resulting from mergers and spin-offs. A transfer of assets or liabilities occurs when there is a reduction of assets or liabilities with respect to one plan and the receipt of these assets or the assumption of these liabilities by another plan. Transfers out at the end of the year should be reported as occurring during the plan year.

**Note.** *A distribution of all or part of an individual participant’s account balance that is reportable on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., should not be included on line 2k but must be included in benefit payments reported on line 2e. Do not submit Form 1099-R with Form 5500.*

**Lines 3a through 3g.** Check “Yes” and enter the amount or “No” as specified below. Do not include the plan’s interest in CCTs, PSAs, MTIAs, and 103-12 IEs. (See instructions for **Direct Filing Entity (DFE)** on page 4 of the instructions for the Form 5500.)

**Line 3a.** Enter the value of the plan’s participation in a partnership or joint venture, unless the partnership or joint venture is a 103-12 IE.

**Line 3b.** The term “employer real property” means real property (and related personal property) that is leased to an employer of employees covered by the plan, or to an affiliate of such employer. For purposes of determining the time at which a plan acquires employer real property for purposes of this line, such property shall be deemed to be acquired by the plan on the date on which the plan acquires the property or on the date on which the lease to the employer (or affiliate) is entered into, whichever is later.

**Line 3d.** An employer security is any security issued by an employer (including affiliates) of employees covered by the plan. These may include common stocks, preferred stocks, bonds, zero coupon bonds, debentures, convertible debentures, notes and commercial paper.

**Line 3e.** Enter the current value of all loans to participants including residential mortgage loans that are subject to Code section 72(p). Include the sum of the value of the unpaid principal balances, plus accrued but unpaid interest, if any, for participant loans made under an individual account plan with investment experience segregated for each account, that are

made in accordance with 29 CFR 2550.408b-1 and secured solely by a portion of the participant's vested accrued benefit. When applicable, combine this amount with the current value of any other participant loans. Do not include any amount of a participant loan deemed distributed during the plan year under the provisions of Code section 72(p) and Treasury Regulation section 1.72(p)-1, if both of the following circumstances apply:

1. Under the plan, the participant loan is treated as a directed investment solely of the participant's individual account; and
2. As of the end of the plan year, the participant is not continuing repayment under the loan.

If both of these circumstances apply, report the loan as a deemed distribution on line 2g. However, if either of these circumstances does not apply, the current value of the participant loan (including interest accruing thereon after the deemed distribution) should be included on line 3e without regard to the occurrence of a deemed distribution.

**Note.** After participant loans have been deemed distributed and reported on line 2g of the Schedule I or H, they are no longer required to be reported as assets on the Schedule I or H. However, such loans (including interest accruing thereon after the deemed distribution) that have not been repaid are still considered outstanding for purposes of applying Code section 72(p)(2)(A) to determine the maximum amount of subsequent loans. Also, the deemed distribution is not treated as an actual distribution for other purposes, such as the qualification requirements of Code section 401, including, for example, the determination of top-heavy status under Code section 416 and the vesting requirements of Treasury Regulation section 1.411(a)-7(d)(5). See Q&As 12 and 19 of Treasury Regulation section 1.72(p)-1.

**Line 3f.** Enter the current value of all loans made by the plan, except participant loans reportable on line 3e. Include the sum of the value of loans for construction, securities loans, commercial and/or residential mortgage loans that are not subject to Code section 72(p) (either by making or participating in the loans directly or by purchasing loans originated by a third party), and other miscellaneous loans.

**Line 3g.** Include all property that has concrete existence and is capable of being processed, such as goods, wares, merchandise, furniture, machines, equipment, animals, automobiles, etc. This includes collectibles, such as works of art, rugs, antiques, metals, gems, stamps, coins, alcoholic beverages, musical instruments, and historical objects (documents, clothes, etc.). Do not include the value of a plan's interest in property reported on lines 3a through 3f, or intangible property, such as patents, copyrights, goodwill, franchises, notes, mortgages, stocks, claims, interests, or other property that embodies intellectual or legal rights.

## Part II - Transactions During Plan Year

Answer all lines either "Yes" or "No," and if lines 4a through 4i are "Yes," an amount must be entered. If you check "No" on line 4k you must attach the report of an independent qualified public accountant or a statement that the plan is eligible and elects to defer attaching the IQPA's opinion pursuant to 29 CFR 2520.104-50 in connection with a short plan year of seven months or less. Plans with all of their funds held in a master trust should check "No" on Schedule I, lines 4b, c, and i.

**Line 4a.** Amounts paid by a participant or beneficiary to an employer and/or withheld by an employer for contribution to the plan are participant contributions that become plan assets as of the earliest date on which such contributions can reasonably be segregated from the employer's general assets (see 29 CFR 2510.3-102). Plans that check "Yes" must enter the aggregate amount of all late contributions for the year. An employer holding these assets after that date commingled with its general assets will have engaged in a prohibited use of plan assets (see ERISA section 406). If such a nonexempt prohibited transaction occurred with respect to a disqualified person (see Code

section 4975(e)(2)), file **Form 5330**, Return of Excise Taxes Related to Employee Benefit Plans, with the IRS to pay any applicable excise tax on the transaction. If no participant contributions were received or withheld by the employer during the plan year, answer "No."



*The DOL Voluntary Fiduciary Correction Program (VFCP) describes how to apply, the specific transactions covered (which transactions include delinquent participant contributions to pension and welfare plans), and acceptable methods for correcting violations. In addition, applicants that satisfy both the VFCP requirements and the conditions of Prohibited Transaction Exemption (PTE) 2002-51 are eligible for immediate relief from payment of certain prohibited transaction excise taxes for certain corrected transactions. For more information, see 67 Fed. Reg. 15062 and 67 Fed. Reg. 70623 (November 25, 2002). All delinquent participant contributions must be reported on line 4a even if violations have been corrected. Information about the VFCP is also available on the Internet at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).*

**Line 4b.** Plans that check "Yes" must enter the amount. The due date, payment amount and conditions for determining default of a note or loan are usually contained in the documents establishing the note or loan. A loan by the plan is in **default** when the borrower is unable to pay the obligation upon maturity. Obligations that require periodic repayment can default at any time. Generally, loans and fixed income obligations are considered **uncollectible** when payment has not been made and there is little probability that payment will be made. A fixed income obligation has a fixed maturity date at a specified interest rate. Do not include participant loans made under an individual account plan with investment experience segregated for each account that were made in accordance with 29 CFR 2550.408b-1 and secured solely by a portion of the participant's vested accrued benefit.

**Line 4c.** Plans that check "Yes" must enter the amount. A lease is an agreement conveying the right to use property, plant or equipment for a stated period. A lease is in default when the required payment(s) has not been made. An uncollectible lease is one where the required payments have not been made and for which there is little probability that payment will be made.

**Line 4d.** Plans that check "Yes" must enter the amount. Check "Yes" if any nonexempt transaction with a party-in-interest occurred regardless of whether the transaction is disclosed in the accountant's report. Do not check "Yes" with respect to transactions that are: **(1)** statutorily exempt under Part 4 of Title I of ERISA; **(2)** administratively exempt under ERISA section 408(a); **(3)** exempt under Code sections 4975(c) or 4975(d); **(4)** the holding of participant contributions in the employer's general assets for a welfare plan that meets the conditions of ERISA Technical Release 92-01; **(5)** a transaction of a 103-12 IE with parties other than the plan; or **(6)** delinquent participant contributions reported on line 4a. You may indicate that an application for an administrative exemption is pending. If you are unsure whether a transaction is exempt or not, you should consult with either a qualified public accountant, legal counsel or both. If the plan is a qualified pension plan and a nonexempt prohibited transaction occurred with respect to a disqualified person, a Form 5330 should be filed with the IRS to pay the excise tax on the transaction.



*Applicants that satisfy the VFCP requirements and the conditions of PTE 2002-51 (see the instructions for line 4a) are eligible for immediate relief from payment of certain prohibited transaction excise taxes for certain corrected transactions. For more information, see 67 Fed. Reg. 15062 and 67 Fed. Reg. 70623 (November 25, 2002). When the conditions of PTE 2002-51 have been satisfied, the corrected transactions should be treated as exempt under Code section 4975(c) for the purposes of answering line 4d.*



**Party-in-Interest.** For purposes of this form, party-in-interest is deemed to include a disqualified person. See Code section 4975(e)(2). The term “party-in-interest” means, as to an employee benefit plan:

- A.** Any fiduciary (including, but not limited to, any administrator, officer, trustee or custodian), counsel, or employee of the plan;
- B.** A person providing services to the plan;
- C.** An employer, any of whose employees are covered by the plan;
- D.** An employee organization, any of whose members are covered by the plan;
- E.** An owner, direct or indirect, of 50% or more of: **(1)** the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock entitled to vote or the total value of shares of all classes of stock of a corporation, **(2)** the capital interest or the profits interest of a partnership, or **(3)** the beneficial interest of a trust or unincorporated enterprise that is an employer or an employee organization described in C or D;
- F.** A relative of any individual described in A, B, C, or E;
- G.** A corporation, partnership, or trust or estate of which (or in which) 50% or more of: **(1)** the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of such corporation, **(2)** the capital interest or profits interest of such partnership, or **(3)** the beneficial interest of such trust or estate is owned directly or indirectly, or held by, persons described in A, B, C, D, or E;
- H.** An employee, officer, director (or an individual having powers or responsibilities similar to those of officers or directors), or a 10% or more shareholder, directly or indirectly, of a person described in B, C, D, E, or G, or of the employee benefit plan; or
- I.** A 10% or more (directly or indirectly in capital or profits) partner or joint venturer of a person described in B, C, D, E, or G.

**Nonexempt transactions** with a party-in-interest include any direct or indirect:

- A.** Sale or exchange, or lease, of any property between the plan and a party-in-interest.
- B.** Lending of money or other extension of credit between the plan and a party-in-interest.
- C.** Furnishing of goods, services, or facilities between the plan and a party-in-interest.
- D.** Transfer to, or use by or for the benefit of, a party-in-interest, of any income or assets of the plan.
- E.** Acquisition, on behalf of the plan, of any employer security or employer real property in violation of Code section 407(a).
- F.** Dealing with the assets of the plan for a fiduciary's own interest or own account.
- G.** Acting in a fiduciary's individual or any other capacity in any transaction involving the plan on behalf of a party (or represent a party) whose interests are adverse to the interests of the plan or the interests of its participants or beneficiaries.
- H.** Receipt of any consideration for his or her own personal account by a party-in-interest who is a fiduciary from any party dealing with the plan in connection with a transaction involving the income or assets of the plan.

**Line 4e.** Plans that check “Yes” must enter the aggregate amount of coverage for all claims. Check “Yes” only if the plan itself (as opposed to the plan sponsor or administrator) is a named insured under a fidelity bond from an approved surety covering plan officials and that protects the plan as described in 29 CFR Part 2580. Generally, every plan official of an employee benefit plan who “handles” funds or other property of such plan must be bonded. Generally, a person shall be deemed to be

“handling” funds or other property of a plan, so as to require bonding, whenever his or her other duties or activities with respect to given funds are such that there is a risk that such funds could be lost in the event of fraud or dishonesty on the part of such person, acting either alone or in collusion with others. Section 412 of ERISA and DOL regulations 29 CFR 2580 provide the bonding requirements, including the definition of “handling” (29 CFR 2580.412-6), the permissible forms of bonds (29 CFR 2580.412-10), the amount of the bond (29 CFR 2580, subpart C), and certain exemptions such as the exemption for unfunded plans, certain banks and insurance companies (ERISA section 412), and the exemption allowing plan officials to purchase bonds from surety companies authorized by the Secretary of the Treasury as acceptable reinsurers on Federal bonds (29 CFR 2580.412-23). Information concerning the list of approved sureties and reinsurers is available on the Internet at [www.fms.treas.gov/c570](http://www.fms.treas.gov/c570).

**Note.** *Plans are permitted under certain conditions to purchase fiduciary liability insurance. These policies do not protect the plan from dishonest acts and are not bonds that should be reported in line 4e.*

**Line 4f.** Check “Yes,” if the plan had suffered or discovered any loss as a result of any dishonest or fraudulent act(s) even if the loss was reimbursed by the plan's fidelity bond or from any other source. If “Yes” is checked enter the full amount of the loss. If the full amount of the loss has not yet been determined, provide an estimate and disclose that the figure is an estimate, such as “@1000.”



*Willful failure to report is a criminal offense. See ERISA section 501.*

**Lines 4g and 4h.** *Current value* means fair market value where available. Otherwise, it means the fair value as determined in good faith under the terms of the plan by a trustee or a named fiduciary, assuming an orderly liquidation at time of the determination. See ERISA section 3(26).

An accurate assessment of fair market value is essential to a pension plan's ability to comply with the requirements set forth in the Code (e.g., the exclusive benefit rule of Code section 401(a)(2), the limitations on benefits and contributions under Code section 415, and the minimum funding requirements under Code section 412) and must be determined annually.

Examples of assets that may not have a readily determinable value on an established market (e.g., NYSE, AMEX, over the counter, etc.) include real estate, nonpublicly traded securities, shares in a limited partnership, and collectibles. Do not check “Yes” on line 4g if the plan is a defined contribution plan and the only assets the plan holds, that do not have a readily determinable value on an established market, are: **(1)** participant loans not in default, or **(2)** assets over which the participant exercises control within the meaning of section 404(c) of ERISA.

Although the current value of plan assets must be determined each year, there is no requirement that the assets (other than certain nonpublicly traded employer securities held in ESOPs) be valued every year by independent third-party appraisers.

Enter in the amount column the fair market value of the assets referred to on line 4g whose value was not readily determinable on an established market and which were not valued by an independent third-party appraiser in the plan year. Generally, as it relates to these questions, an appraisal by an independent third party is an evaluation of the value of an asset prepared by an individual or firm who knows how to judge the value of such assets and does not have an ongoing relationship with the plan or plan fiduciaries except for preparing the appraisals.

**Line 4i.** Include as a single security all securities of the same issue. An example of a single issue is a certificate of deposit issued by the XYZ Bank on July 1, 2002, which matures on June 30, 2003, and yields 5.5%. For the purposes of line 4i, do not check "Yes" for securities issued by the U.S. Government or its agencies. Also, do not check "Yes" for securities held as a result of participant-directed transactions.

**Line 4j.** Check "Yes" if all the plan assets (including insurance/annuity contracts) were distributed to the participants and beneficiaries, legally transferred to the control of another plan, or brought under the control of the PBGC.

Check "No" for a welfare benefit plan that is still liable to pay benefits for claims that were incurred before the termination date, but not yet paid. See 29 CFR 2520.104b-2(g)(2)(ii).

**Note.** If "Yes" was checked on line 4j because all plan assets were distributed to participants and/or beneficiaries, you are encouraged to complete Schedule SSA (Form 5500), listing each participant reported on a previous Schedule SSA (Form 5500) who has received all of his/her plan benefits, and therefore, is no longer entitled to receive deferred vested benefits. This will ensure that SSA's records are correct, and help eliminate confusion for participants and plan administrators in the future. See the instructions to the Schedule SSA (Form 5500) for greater detail.

**Line 4k.** Check "Yes" if you are claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46. You are eligible to claim the waiver if the Schedule I is being filed for:

1. A small welfare plan, or
2. A small pension plan for a plan year that began on or after April 18, 2001, that complies with the conditions of 29 CFR 2520.104-46 summarized below.

Check "No" and attach the report of the IQPA meeting the requirements of 29 CFR 2520.103-1(b) if you are not claiming the waiver. Also check "No," and attach the required IQPA reports or the required explanatory statement if you are relying on 29 CFR 2520.104-50 in connection with a short plan year of seven months or less. At the top of any attached 2520.104-50 statement, enter "2520.104-50 Statement, Schedule I, Line 4k." For more information on the requirements for deferring an IQPA report pursuant to 29 CFR 2520.104-50 in connection with a short plan year of seven months or less and the contents of the required explanatory statement, see the instructions for Schedule H, line 3b(2) or call the EFAST Help Line at 1-866-463-3278.

**Note.** For plans that check "No," the IQPA report must make the appropriate disclosures in accordance with generally accepted auditing standards if the information reported on line 4a is not presented in accordance with regulatory requirements.

The following summarizes the conditions of 29 CFR 2520.104-46 that must be met for a small pension plan with a plan year beginning on or after April 18, 2001, to be eligible for the waiver. If you need further information regarding these requirements, see 29 CFR 2520.104-46 which is available at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) or call the EFAST Help Line at 1-866-463-3278.

**Condition 1:** At least 95 percent of plan assets are "qualifying plan assets" as of the end of the preceding plan year, or any person who handles assets of the plan that do not constitute qualifying plan assets is **bonded** in accordance with the requirements of ERISA section 412 (see the instructions for line 4e), except that the amount of the bond shall not be less than the value of such non-qualifying assets.

The determination of the "percent of plan assets" as of the end of the preceding plan year and the amount of any required bond must be made at the beginning of the plan's reporting year for which the waiver is being claimed. For purposes of this line, you will have satisfied the requirement to make these determinations at the beginning of the plan reporting year for which the waiver is being claimed if they are made as soon

after the date when such year begins as the necessary information from the preceding reporting year can practically be ascertained. See 29 CFR 2580.412-11, 14 and 19 for additional guidance on these determinations, and 29 CFR 2580.412-15 for procedures to be used for estimating these amounts if there is no preceding plan year.

The term "qualifying plan assets," for purposes of this line, means:

1. Any assets held by any of the following regulated financial institutions:
  - a. A bank or similar financial institution as defined in 29 CFR 2550.408b-4(c);
  - b. An insurance company qualified to do business under the laws of a state;
  - c. An organization registered as a broker-dealer under the Securities Exchange Act of 1934; or
  - d. Any other organization authorized to act as a trustee for individual retirement accounts under Code section 408.
2. Shares issued by an investment company registered under the Investment Company Act of 1940 (e.g., mutual funds);
3. Investment and annuity contracts issued by any insurance company qualified to do business under the laws of a state;
4. In the case of an individual account plan, any assets in the individual account of a participant or beneficiary over which the participant or beneficiary has the opportunity to exercise control and with respect to which the participant or beneficiary is furnished, at least annually, a statement from a regulated financial institution referred to above describing the assets held or issued by the institution and the amount of such assets;
5. Qualifying employer securities, as defined in ERISA section 407(d)(5); and
6. Participant loans meeting the requirements of ERISA section 408(b)(1).

**Condition 2:** The administrator must include in the **summary annual report (SAR)** furnished to participants and beneficiaries in accordance with 29 CFR 2520.104b-10:

1. The name of each regulated financial institution holding or issuing qualifying plan assets and the amount of such assets reported by the institution as of the end of the plan year (this SAR disclosure requirement does not apply to qualifying employer securities, participant loans and individual account assets described in paragraphs 4, 5 and 6 above);
2. The name of the surety company issuing the fidelity bond, if the plan has more than 5% of its assets in non-qualifying plan assets;
3. A notice that participants and beneficiaries may, upon request and without charge, examine or receive from the plan evidence of the required bond and copies of statements from the regulated financial institutions describing the qualifying plan assets; and
4. A notice that participants and beneficiaries should contact the EBSA Regional Office if they are unable to examine or obtain copies of the regulated financial institution statements or evidence of the required bond, if applicable.

**Condition 3:** In addition, in response to a request from any participant or beneficiary, the administrator, without charge to the participant or beneficiary, must make available for examination, or upon request furnish copies of, each regulated financial institution statement and evidence of any required bond.

**Examples.** Plan A, which has a plan year that began on or after April 18, 2001, had total assets of \$600,000 as of the end of the 2000 plan year that included: investments in various bank, insurance company and mutual fund products of \$520,000; investments in qualifying employer securities of \$40,000; participant loans (meeting the requirements of ERISA section 408(b)(1)), totaling \$20,000; and a \$20,000 investment in a real estate limited partnership. Because the only asset of

the plan that did not constitute a “qualifying plan asset” is the \$20,000 real estate limited partnership investment and that investment represents less than 5% of the plan’s total assets, no fidelity bond is required as a condition for the plan to be eligible for the waiver for the 2001 plan year.

Plan B is identical to Plan A except that of Plan B’s total assets of \$600,000 as of the end of the 2000 plan year, \$558,000 constitutes “qualifying plan assets” and \$42,000 constitutes non-qualifying plan assets. Because 7% – more than 5% – of Plan B’s assets do not constitute “qualifying plan assets,” Plan B, as a condition to be eligible for the waiver for the 2001 plan year, must ensure that it has a fidelity bond in an amount equal to at least \$42,000 covering persons handling its non-qualifying plan assets. Inasmuch as compliance with ERISA section 412 generally requires the amount of the bond be not less than 10% of the amount of all the plan’s funds or other property handled, the bond acquired for section 412 purposes may be adequate to cover the non-qualifying plan assets without an increase (i.e., if the amount of the bond determined to be needed for the relevant persons for section 412 purposes is at least \$42,000). As demonstrated by the foregoing example, where a plan has more than 5% of its assets in non-qualifying plan assets, the required bond is for the total amount of the non-qualifying plan assets, not just the amount in excess of 5%.

If you need further information regarding these requirements, see 29 CFR 2520.104-46 which is available at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) or call the EFAST Help Line at 1-866-463-3278.

**Line 5a.** Check “Yes” if a resolution to terminate the plan was adopted during this or any prior plan year, unless the termination was revoked and no assets reverted to the employer. If “Yes” is checked, enter the amount of plan assets that reverted to the employer during the plan year in connection

with the implementation of such termination. Enter “-0-” if no reversion occurred during the current plan year.



A Form 5500 must be filed for each year the plan has assets, and, in the case of a welfare benefit plan, if the plan is still liable to pay benefits for claims that were incurred before the termination date, but not yet paid. See 29 CFR 2520.104b-2(g)(2)(ii).

**Line 5b.** Enter information concerning assets and/or liabilities transferred from this plan to another plan(s) (including spin-offs) during the plan year. A transfer of assets or liabilities occurs when there is a reduction of assets or liabilities with respect to one plan and the receipt of these assets or the assumption of these liabilities by another plan. Enter the name, PN, and EIN of the transferee plan(s) involved on lines 5b(1), b(2) and b(3). If there are more than three plans, include an attachment with the information required for 5b(1), b(2) and b(3) for each additional plan and label the attachment, “**Schedule I, line 5b – Additional Plans.**”

**Note.** A distribution of all or part of an individual participant’s account balance that is reportable on **Form 1099-R** should not be included on line 5b. Do not submit Form 1099-R with the Form 5500.



**Form 5310-A, Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities; Notice of Qualified Separate Lines of Business, must be filed at least 30 days before any plan merger or consolidation or any transfer of plan assets or liabilities to another plan. There is a penalty for not filing Form 5310-A on time. In addition, a transfer of benefit liabilities involving a plan covered by PBGC insurance may be reportable to the PBGC (see PBGC Form 10 and Form 10-Advance).**

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## 2003 Instructions for Schedule P (Form 5500)

### Annual Return of Fiduciary of Employee Benefit Trust

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#### General Instructions

##### Purpose of Schedule

You may use this schedule to satisfy the requirements under Code section 6033(a) for an annual information return from every section 401(a) organization exempt from tax under section 501(a). The statute of limitations under section 6501(a) for any trust described in section 401(a), which is exempt from tax under section 501(a), will not start to run until you file this schedule.

##### Who May File

Schedule P (Form 5500) may be completed by every trustee of a trust created as part of an employee benefit plan as described in Code section 401(a), and by every custodian of a custodial account described in Code section 401(f).

##### How To File

File Schedule P for the trust year ending with or within any participating plan's plan year. Attach it to the Form 5500 or 5500-EZ filed by the plan for that plan year. **A separately filed Schedule P will not be accepted.** If the trust or custodial account is used by more than one plan, file one Schedule P. If a plan uses more than one trust or custodial account for its funds, file one Schedule P for each trust or custodial account.

Check the Schedule P box on the Form 5500 (Part II, line 10b(7)), and enter the number attached in the space provided if one or more Schedules P are attached to the Form 5500.

If using an official hand print form, do not write on or near the bar code or in the upper right hand corner of the form as this will interfere with processing. Abbreviate if necessary. Use black or blue ink. Check boxes should be filled in completely or clearly marked with an "X".

##### Trust's Employer Identification Number

Enter the trust employer identification number (EIN) assigned to the employee benefit trust or custodial account, if one has been

issued to you. The trust EIN should be used for transactions conducted for the trust. If you do not have a trust EIN, enter the EIN you would use on **Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., to report distributions from employee benefit plans and on **Form 945**, Annual Return of Withheld Federal Income Tax, to report withheld amounts of income tax from those payments.

**Note.** *Trustees who do not have an EIN may apply for one on Form SS-4, Application for Employer Identification Number. You must be consistent and use the same EIN for all trust reporting purposes.*

##### Signature

The fiduciary (trustee or custodian) must sign this schedule. If there is more than one fiduciary, the fiduciary authorized by the others may sign.

##### Other Returns and Forms That May Be Required

The following forms (if applicable) must be filed with the appropriate IRS Service Center:

**Form 945**, Annual Return of Withheld Federal Income Tax. If you made payments or distributions to individual beneficiaries of a plan, you may be required to withhold income tax from those payments. Use Form 945 to report taxes withheld from nonpayroll items. (See **Circular E**, Employer's Tax Guide (Pub. 15), for more information.)

**Form 990-T**, Exempt Organization Business Income Tax Return. A trust described in Code section 401(a) that derives income from a business that is unrelated to the purpose for which the trust received a tax exemption may be subject to tax on its unrelated income under Code section 511. For example, a trust that trades stock on margin may be subject to tax on such debt-financed income. In addition, a trust that invests in a partnership may be subject to tax on the trust's distributive share of the partnership's income. For details on reporting the income and figuring any tax the trust may owe, see Form 990-T and its instructions. Also, see Code sections 511 through 514 and the related regulations.

**Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc. If you made payments or distributions to individual beneficiaries of a plan, report those payments on Form 1099-R. (See the Instructions for Forms 1099, 1098, 5498, and W-2G.)

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## 2003 Instructions for Schedule R (Form 5500)

### Retirement Plan Information

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#### General Instructions

##### Purpose of Schedule

Schedule R reports certain information on plan distributions, and funding, and the adoption of amendments increasing the value of benefits in a defined benefit pension plan.

##### Who Must File

Schedule R (Form 5500) must be attached to a Form 5500 filed for both tax qualified and nonqualified pension benefit plans. The parts of the Schedule R that must be completed depend on whether the plan is subject to the minimum funding standards of Code section 412 or ERISA section 302.

**Exceptions:** (1) Schedule R should not be completed when the Form 5500 is filed for a pension plan that uses, as the sole funding vehicle for providing benefits, a tax deferred annuity arrangement under Code section 403(b)(1), a custodial account for regulated investment company stock under Code section 403(b)(7), and/or individual retirement accounts or annuities (as described in Code section 408). See the Form 5500 instructions for **Limited Pension Plan Reporting** on page 8 for more information.

(2) Schedule R also should not be completed if each of the following conditions is met:

- The plan is not a defined benefit plan or otherwise subject to the minimum funding standards of Code section 412 or ERISA section 302.
- No plan benefits that would be reportable on line 1 of Part I of this schedule R were distributed during the plan year. See the instructions for Part I, line 1, below.
- No benefits, as described in the instructions for Part I, line 2, below, were paid during the plan year other than by the plan sponsor or plan administrator. (This condition is not met if benefits were paid by the trust or any other payor(s) which are reportable on **Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., using an EIN other than that of the plan sponsor or plan administrator reported on line 2b or 3b of Form 5500.)
- Unless the plan is a profit-sharing, ESOP or stock bonus plan, no plan benefits of living or deceased participants were distributed during the plan year in the form of a single sum distribution. See the instructions for Part I, line 3, below.

Check the Schedule R box on the Form 5500 (Part II, line 10a(1)) if a Schedule R is attached to the Form 5500.

##### Specific Instructions

**Lines A, B, C, and D.** This information should be the same as reported in Part II of the Form 5500 to which this Schedule R is attached. You may abbreviate the plan name (if necessary) to fit in the space provided.

##### Part I - Distributions

“**Distribution**” includes only payments of benefits during the plan year, in cash, in kind, by purchase for the distributee of an annuity contract from an insurance company, or by distribution of life insurance contracts. It does not include corrective distributions of excess deferrals, excess contributions, or excess aggregate contribution, or the income allocable to any of these amounts. It also does not include the distribution of elective deferrals or the return of employee contributions to correct excess annual additions under Code section 415, or the gains attributable to these amounts. Finally, it does not include a loan treated as a distribution under Code section 72(p); however, it does include a distribution of a plan loan offset amount as defined in section 1.402(c)-2, Q&A 9(b).

“**Participant**” means any present or former employee who at any time during the plan year had an accrued benefit (account balance in a defined contribution plan) in the plan.

**Line 1.** Enter the total value of all distributions made during the year (regardless of when the distribution began) in any form other than cash, annuity contracts issued by an insurance company, distribution of life insurance contracts, marketable securities, within the meaning of Code section 731(C)(2), or plan loan offset amounts. Do not include eligible rollover distributions paid directly to eligible retirement plans in a direct rollover under Code section 401(a)(31) unless such direct rollovers include property other than that enumerated in the preceding sentence.

**Line 2.** Enter the EIN(s) of any payor(s) (other than the plan sponsor or plan administrator on line 2b or 3b of the Form 5500) who paid benefits reportable on Form 1099-R on behalf of the plan to participants or beneficiaries during the plan year. This is the EIN that appears on the Forms 1099-R that are issued to report the payments. Include the EIN of the trust if different than that of the sponsor or plan administrator. If more than two payors made such payments during the year, enter the EINs of the two payors who paid the greatest dollar amounts during the year. For purposes of this line 2, take into account all payments made during the plan year, in cash or in kind, that are reportable on Form 1099-R, regardless of when the payments began, but take into account payments from an insurance company under an annuity only in the year the contract was purchased.

**Line 3.** Enter the number of living or deceased participants whose benefits under the plan were distributed during the plan year in the form of a single sum distribution. For this purpose, a distribution of a participant's benefits will not fail to be a single sum distribution merely because, after the date of the distribution, the plan makes a supplemental distribution as a result of earnings or other adjustments made after the date of the single sum distribution. Also include any participants whose benefits were distributed in the form of a direct rollover to the trustee or custodian of a qualified plan or individual retirement account.

##### Part II - Funding Information

Complete Part II only if the plan is subject to the minimum funding requirements of Code section 412 or ERISA section 302.

All qualified defined benefit and defined contribution plans are subject to the minimum funding requirements of Code section 412 unless they are described in the exceptions listed under section 412(h). These exceptions include profit-sharing or stock bonus plans, insurance contract plans described in section 412(i), and certain plans to which no employer contributions are made.

Nonqualified employee pension benefit plans are subject to the minimum funding requirements of ERISA section 302 unless specifically exempted under ERISA sections 4(a) or 301(a).

The employer or plan administrator of a defined benefit plan that is subject to the minimum funding requirements must file Schedule B as an attachment to Form 5500. Schedule B is not required to be filed for a money purchase defined contribution plan that is subject to the minimum funding requirements unless the plan is currently amortizing a waiver of the minimum funding requirements.

**Line 4.** Check “yes” if, for purposes of computing the minimum funding requirements for the plan year, the plan administrator is making an election intended to satisfy the requirements of Code section 412(c)(8) or ERISA section 302(c)(8). Under Code section 412(c)(8) and ERISA section 302(c)(8), a plan administrator may elect to have any amendment adopted after the close of the plan year for which it applies treated as having been made on the first day of the plan year if all of the following requirements are met:

1. The amendment is adopted no later than two and one-half months after the close of such plan year (two years for a multiemployer plan);

2. The amendment does not reduce the accrued benefit of any participant determined as of the beginning of such plan year; and

3. The amendment does not reduce the accrued benefit of any participant determined as of the adoption of the amendment unless the plan administrator notified the Secretary of the Treasury of the amendment and the Secretary either approved the amendment or failed to disapprove the amendment within 90 days after the date the notice was filed.

See Temporary Regulations section 11.412(c)-7(b) for details on when and how to make the election and the information to include on the statement of election, which must be filed with the Form 5500.

**Line 5.** If a money purchase defined contribution plan (including a target benefit plan) has received a waiver of the minimum funding standard, and the waiver is currently being amortized, lines 3, 9, and 10 of Schedule B must be completed. The Schedule B must be attached to Form 5500 but it need not be signed by an enrolled actuary.

**Line 6a.** The minimum required contribution for a money purchase defined contribution plan (including a target benefit plan) for a plan year is the amount required to be contributed for the year under the formula set forth in the plan document. If there is an accumulated funding deficiency for a prior year that has not been waived, that amount should also be included as part of the contribution required for the current year.

**Line 6b.** Include all contributions for the plan year made not later than 8½ months after the end of the plan year. Show only contributions actually made to the plan by the date the form is

filed, i.e., do not include receivable contributions for this purpose.

**Line 6c.** If the minimum required contribution exceeds the contributions for the plan year made not later than 8½ months after the end of the plan year, the excess is an accumulated funding deficiency for the plan year and **Form 5330**, Return of Excise Taxes Related to Employee Benefit Plans, should be filed with the IRS to pay the excise tax on the deficiency. There is a penalty for not filing Form 5330 on time.

**Line 7.** A revenue procedure providing for automatic approval for a change in funding method for a plan year generally does not apply unless the plan administrator or an authorized representative of the plan sponsor explicitly agrees to the change. If a change in funding method made pursuant to such a revenue procedure (or a class ruling letter) is to be applicable for the current plan year, this line generally must be checked "Yes." In certain situations, however, the requirement that the plan administrator or an authorized representative of the plan sponsor agree to the change in funding method will be satisfied if the plan administrator or an authorized representative of the plan sponsor is made aware of the change. In these situations, this line must be checked "N/A." See section 6.01(2) of Rev. Proc. 2000-40, 2002-2 C.B. 357.

### Part III - Amendments

**Line 8.** Check "Yes" if an amendment was adopted during the plan year that increased the value of benefits in any way. This includes an amendment providing for an increase in the amount of benefits or rate of accrual, more generous lump sum factors, cost of living adjustments, more rapid vesting, additional payment forms, and earlier eligibility for some benefits.

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## 2003 Instructions for Schedule SSA (Form 5500) Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits

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### General Instructions

#### Purpose of Schedule

Use Schedule SSA to report all participants with deferred vested benefit rights who separated from your company during the plan year. Also use Schedule SSA to correct information previously reported concerning participants with deferred vested benefits. The information reported on this schedule is given to the Social Security Administration which in turn provides it to participants when they file for Social Security benefits.

**Note.** In the 2002 Instructions for Form 5500, specific directions were given that required the use of additional copies of page 2, Schedule SSA, when reporting more separated participants than the schedule allows. After the release of those instructions, the decision was made not to impose this requirement until further notice.

For 2003, you can use additional pages 2, but are not required to do so. Beginning with the 2004 Schedule SSA, you **MUST** use additional pages 2, Schedule SSA, to report more separated participants than one page 2 of the schedule allows.

#### Who Must File

The plan administrator is responsible for filing Schedule SSA. Plans that cover only owners and their spouses do not have to file this schedule.

Check the Schedule SSA box on the Form 5500 (Part II, line 10a(5)) if a Schedule SSA is attached to the Form 5500.

**Note.** Government, church, or other plans that elect to file the Schedule SSA voluntarily **must** check the appropriate box on the schedule **and** complete lines 2 through 3c.

#### When to Report a Separated Participant

In general, **for a plan to which only one employer contributes**, a participant must be reported on Schedule SSA if:

1. The participant separates from service covered by the plan in a plan year, and
2. The participant is entitled to a deferred vested benefit under the plan.

The separated participant must be reported no later than on the Schedule SSA filed for the plan year following the plan year in which separation occurred. However, you can report the separation in the plan year in which it occurs, if you want to report earlier. Do not report a participant more than once unless you wish to revise or update a prior Schedule SSA (see instructions for line 4, box (a), under codes B, C, or D).

In general, **for a plan to which more than one employer contributes**, a participant must be reported on Schedule SSA if:

1. The participant incurs two successive 1-year breaks in service (as defined in the plan for vesting purposes), and
2. The participant is (or may be) entitled to a deferred vested benefit under the plan.

The participant must be reported no later than on the Schedule SSA filed for the plan year in which the participant completed the second of the two consecutive 1-year breaks in service. The participant may be reported earlier (i.e., on the Schedule SSA filed for the plan year in which he or she

separated from service or completed the first 1-year break in service).

#### When NOT to Report a Participant

A participant is not required to be reported on Schedule SSA if, before the date the Schedule SSA is required to be filed (including any extension of time for filing), the participant:

1. Is paid some or all of the deferred vested retirement benefit (see the **Caution** below), or
2. Returns to service covered by the plan and/or accrues additional retirement benefits under the plan, or
3. Forfeits all the deferred vested retirement benefit.



If payment of the deferred vested retirement benefit ceases before **ALL** of the benefit to which the participant is entitled is paid to the participant, information relating to the deferred vested retirement benefit to which the participant remains entitled shall be filed on the Schedule SSA filed for the year **following** the last plan year within which a portion of the benefit is paid to the participant.

#### Separation of a Re-Employed Employee

If the deferred vested benefit of a separated employee is different from that previously reported, you may use code B (see below) to report that employee's total vested benefit.

#### Revising Prior Report

You may use Schedule SSA to report revisions to pension information for a participant you reported on a previous Schedule SSA. This will ensure that SSA's records are correct. This is important since SSA provides Schedule SSA information that it has on file to participants when they file for Social Security benefits. If this information is not up-to-date, the participant may contact the plan administrator to resolve the difference.

You are encouraged to report changes or corrections to previously reported information (such as plan number), as this allows the Social Security Administration to provide accurate information to participants or their beneficiaries. You do not need to report changes in the value of the employees' accounts, since that is likely to change. However, you may report these changes if you want.

#### Split Plan Mergers

There are conditions where some employees covered by an existing plan are transferred to a different plan, or all of the employees of an existing plan are split between two or more different plans. The new administrator for each group of employees should complete a code C entry (see below) for each employee previously reported on a Schedule SSA for the other plan.

#### Where and How to File

File as an attachment to Form 5500.

**Note.** Government, church, or other plans that elect to voluntarily file the Schedule SSA are not required to attach their Schedule SSA to a Form 5500, but **must** check the appropriate box on the schedule.



A penalty may be assessed if Schedule SSA (Form 5500) is not timely filed or critical information is not furnished.

#### Specific Instructions

**Line D.** Enter the sponsor's employer identification number (EIN) shown on Form 5500, line 2b.

**Line 2.** If the Post Office does not deliver mail to the street address and you have a P.O. box, enter the box number instead of the street address.

**Line 4, box (a).** From the following list, select the code that applies and enter that code in line 4, box (a).

**Code A** — Use this code for a participant not previously reported. Also complete boxes (b) through (h).

**Code B** — Use this code for a participant previously reported under the plan number shown on this schedule to modify some of the previously reported information. Enter all the current information for boxes (b) through (h).

**Code C** — Use this code for a participant previously reported under another plan number who will now be receiving his/her future benefit from the plan reported on this schedule. Also complete boxes (b), (c), (i), and (j).

**Code D** — Use this code for a participant previously reported under the plan number shown on this schedule who is no longer entitled to those deferred vested benefits. Also complete boxes (b) and (c). If you wish, you may also use this code to report those participants who are already receiving benefits as previously reported.

**Line 4, box (b).** Enter the exact social security number (SSN) of each participant listed. If the participant is a foreign national employed outside the United States who does not have an SSN, enter the word "FOREIGN."

**Line 4, box (c).** Enter each participant's name exactly as it appears on the participant's social security card. Do not enter periods; however, initials, if on the social security card, are permitted. Space is available for the first eleven characters of the participant's first name, one for their middle initial, and the first fifteen characters of their last name. If the participant does not have a middle initial, leave the space for the middle initial blank.

**Line 4, box (d).** From the following list, select the code that describes the type of annuity that will be provided for the participant. Enter the code that describes the type of annuity that normally accrues under the plan at the time of the participant's separation from service covered by the plan (or for a plan to which more than one employer contributes at the time the participant incurs the second consecutive 1-year break in service under the plan).

**Type of Annuity Code**

- A** A single sum
- B** Annuity payable over fixed number of years
- C** Life annuity

- D** Life annuity with period certain
- E** Cash refund life annuity
- F** Modified cash refund life annuity
- G** Joint and last survivor life annuity
- M** Other

**Line 4, box (e).** From the following list, select the code that describes the benefit payment frequency during a 12-month period.

**Type of Payment Code**

- A** Lump sum
- B** Annually
- C** Semiannually
- D** Quarterly
- E** Monthly
- M** Other

**Line 4, box (f).** For a defined benefit plan, enter the amount of the periodic payment that a participant is entitled to receive under line 4, box (f).

*For a plan to which more than one employer contributes, if the amount of the periodic payment cannot be accurately determined because the plan administrator does not maintain complete records of covered service, enter an estimated amount.*

**Line 4, box (g).** For a defined contribution plan, if the plan states that a participant's share of the fund will be determined on the basis of units, enter the number of units credited to the participant.

If, under the plan, participation is determined on the basis of shares of stock of the employer, enter the number of shares and add the letters "S" to indicate shares. A number without the "S" will be interpreted to mean units.

**Line 4, box (h).** For defined contribution plans, enter the value of the participant's account at the time of separation.

**Line 4, boxes (i) and (j).** Show the EIN and plan number of the plan under which the participant was previously reported.

**Signature.** This form must be signed by the plan administrator. If more than one Schedule SSA is filed for one plan, only the initial page one should be signed.



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## 2003 Instructions for Schedule T (Form 5500) Qualified Pension Plan Coverage Information

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### General Instructions

#### Purpose of Schedule

Schedule T (Form 5500) is used by certain qualified pension benefit plans to provide information concerning the plan's compliance with the minimum coverage requirements of Code section 410(b).

#### Substantiation Guidelines

Revenue Procedure 93-42, 1993-2 C.B. 540, provides guidelines designed to reduce the burdens of substantiating compliance with the coverage and nondiscrimination requirements that apply to qualified pension benefit plans. Generally, Rev. Proc. 93-42 sets forth guidelines for: **(1)** the quality of data used in substantiating compliance with the coverage and nondiscrimination rules, **(2)** the timing of coverage and nondiscrimination testing, **(3)** the testing cycle of a plan, and **(4)** the qualified separate lines of business (QSLOB) rules. The substantiation guidelines may be used in completing Schedule T, if applicable.

#### Who Must File

Schedule T (Form 5500) must generally be attached to the Form 5500 to report coverage information for a pension benefit plan (including profit-sharing and stock bonus plans) that is intended to be qualified under Code section 401(a) or 403(a). More than one Schedule T may be required. See the specific instructions for lines 1 and 2.

Schedule T may not be required every year. Check the Schedule T box on the Form 5500 (Part II, line 10a(2)), and enter the number attached in the space provided, **ONLY** if one or more Schedules T are attached to the Form 5500. If a Schedule T is not attached to the Form 5500 because the employer is using the three-year testing cycle rule in Revenue Procedure 93-42, and relying on the fact that the plan satisfied coverage in an earlier year, do not check the Schedule T box on Form 5500. Instead, enter in the space provided on Form 5500 line 10a(2) the year on which the employer is relying. See the instructions under **When to File** below. If the plan benefits the employees of more than one employer or if the employer operates QSLOBs, also see the instructions for lines 1 and 2.

#### When to File

Employers using the three-year testing cycle rule in Revenue Procedure 93-42 must file Schedule T for the first year in the plan's testing cycle. Schedule T need not be filed for the second or third year in the cycle if the employer is permitted to rely on the earlier year's testing. If the employer does not or cannot use the three-year testing rule, the Schedule T must be filed annually.

#### Specific Instructions

**Lines A, B, C, and D.** This information should be the same as reported in Part II of the Form 5500 to which this Schedule T is attached. You may abbreviate the plan name (if necessary) to fit in the space provided.

**Note.** For purposes of the Schedule T (Form 5500), all employers that are members of the same controlled group (that is, they are aggregated under Code section 414(b), (c), or (m)) are treated as a single employer. For purposes of the Schedule T (Form 5500), "employee" includes any self-employed individual, common-law employee, or leased employee (within the meaning of Code section 414(n)) of any member of the controlled group.

**Line 1.** If a plan benefits the employees of more than one employer and all the employers are members of the same controlled group, file only one Schedule T, treating all the employers as a single employer. However, if a plan benefits the employees of more than one employer and any of the employers are not members of the same controlled group, file as follows. File separate Schedules T for each controlled group and each other employer that have noncollectively bargained employees benefiting under the plan, as if the portions of the plan benefiting each controlled group's employees and each other employer's employees constituted separate plans. For this purpose, none of the employees benefiting under a plan are considered collectively bargained employees if more than 2% of the employees covered by the plan are professional employees. (See Treasury Regulation section 1.410(b)-6(d)(2) for the definition of collectively bargained employee and Treasury Regulation section 1.410(b)-9 for the definition of professional employee.) Schedule T need not be filed, however, for any controlled group or other employer that is permitted to rely on an earlier year's testing, as explained under **When to File** above. Instead, attach a list showing each controlled group and other employer that is relying on prior year testing, including name, employer identification number, and the testing year being relied on.

For purposes of Schedule T, each controlled group and each other employer that have employees benefiting under a plan that benefits the employees of more than one employer are referred to as "participating employers" in a plan "maintained by more than one employer." If applicable, enter on lines 1a and 1b the name and employer identification number of the participating employer to which the coverage information in lines 3 and 4 relates. Otherwise, leave lines 1a and 1b blank.

Alternatively, where two or more participating employers meet any of the exceptions in line 3, attach a list of such participating employers, including each participating employer's name and employer identification numbers and the line (3a, 3b, 3d, or 3e) that describes the exception that applies to that participating employer. This list may be combined with the list of participating employers that are relying on prior year testing, if applicable. Under this alternative, file separate Schedules T only for those participating employers that do not satisfy any of the exceptions in line 3 and are not relying on prior year testing.

**Line 2.** See Treasury Regulation section 1.414(r). Do not complete lines 2a through 2d unless the employer maintaining the plan operates QSLOBs.

**Line 2c.** See Treasury Regulation sections 1.414(r)-1(c) and 1.414(r)-8.

**Line 2d.** If the plan benefits the employees of more than one QSLOB, and the employer applies the minimum coverage requirements on a QSLOB basis, file a separate Schedule T for each QSLOB that has employees benefiting under the plan for which the Form 5500 is being filed, as if each portion of the plan that benefits the employees of a particular QSLOB constituted a separate plan. Identify on line 2d the particular QSLOB to which the coverage information in lines 3 and 4 relates. Otherwise, leave line 2d blank. (Schedule T need not be filed, however, for any QSLOB that is permitted to rely on a prior year's testing, as explained under **When To File** above. Instead, attach a list showing each QSLOB relying on prior year testing and the testing year being relied on.)

**Line 3.** Check box 3a, 3b, 3c, 3d, or 3e to indicate if you meet any of the exceptions they describe. If box 3a, 3b, 3c, 3d, or 3e is checked, skip line 4.

**Note.** Certain plans are required to be disaggregated, or may be permissively disaggregated, into two or more separate parts for purpose of applying the minimum coverage requirements of Code section 410(b). See the instructions for line 4c. If this plan is required to be disaggregated and each disaggregated part meets any of the exceptions described in line 3, check each box that applies and skip line 4. However, if any disaggregated part

of the plan meets none of the exceptions described in line 3, do not check any box and continue with line 4.

**Box 3a.** Check this box if, during the plan year, the employer employed only highly compensated employees (within the meaning of Code section 414(q)), excluding employees who were collectively bargained employees (within the meaning of Treasury Regulation section 1.410(b)-6(d)(2)).

**Box 3b.** Check this box if, during the plan year, the plan benefitted no highly compensated employees (within the meaning of Code section 414(q)), excluding employees who were collectively bargained employees (within the meaning of Treasury Regulation section 1.410(b)-6(d)(2)). See the instructions for line 4c(5) for the definition of “benefitting.” This line should also be checked if no employee received an allocation or accrued a benefit under the plan for the plan year.

**Box 3c.** Check this box if, during the plan year, the plan benefitted only collectively bargained employees (within the meaning of Treasury Regulation section 1.410(b)-6(d)(2)). However, do not check this box if more than 2% of the employees covered by the plan were professional employees (within the meaning of Treasury Regulation section 1.410(b)-9).

**Box 3d.** Check this box if, during the plan year, the plan benefitted 100% of the nonexcludable nonhighly compensated employees of the employer. (Also check this box if, during the plan year, all of the nonhighly compensated employees of the employer were excludable.) The nonhighly compensated employees of the employer include all the self-employed individuals, common-law employees, and leased employees (within the meaning of Code section 414(n)) employed by the employer or any entity aggregated with the employer under Code section 414(b), (c) or (m) at any time during the plan year, excluding highly compensated employees (within the meaning of Code section 414(q)). Any such employee is a nonexcludable employee unless the employee is in one of the following categories:

1. Employees who have not attained the minimum age and service requirements of the plan.

**Note.** If a plan has multiple age and service conditions or if the employer is treating a plan benefitting otherwise excludable employees as two separate plans pursuant to Treasury Regulation section 1.410(b)-6(b)(3), refer to section 1.410(b)-6(b) and section 1.410(b)-7(c)(3) of the regulations regarding the determination of excludable employees.

2. Collectively bargained employees within the meaning of Treasury Regulation section 1.410(b)-6(d)(2).

3. Nonresident aliens who receive no U.S. source income.

4. Employees who fail to accrue a benefit solely because they: (a) fail to satisfy a minimum hour of service or a last day requirement under the plan; (b) do not have more than 500 hours of service for the plan year; and (c) are not employed on the last day of the plan year.

5. Employees of QSLOBs other than the one with respect to which this Schedule T is being filed.

**Box 3e.** Check this box if, for the plan year, the plan is treated as satisfying the minimum coverage requirements of Code section 410(b) under the “acquisition or disposition” rule in Code section 410(b)(6)(C).

**Line 4.** In general, a plan must satisfy the coverage requirements under one of three testing options. Under the daily testing option, the plan must satisfy the coverage requirements on each day of the plan year taking into account only employees who are employees on that day. A plan will satisfy the coverage requirements under the quarterly testing option if it satisfies them on at least one day in each quarter, taking into account only employees who are employees on that day, provided the quarterly testing dates reasonably represent the coverage of the plan over the entire plan year. Finally, a plan will satisfy the coverage requirements under the annual testing option if it satisfies them as of the last day of the plan year,

taking into account all employees who were employees on any day during the plan year.

Rev. Proc. 93-42 also allows an employer to substantiate that a plan satisfies the coverage requirements on the basis of the employer’s workforce on a single day during a plan year, taking into account only employees who are employees on that day, if that day is reasonably representative of the employer’s workforce and the plan’s coverage throughout the year. This is referred to as “snapshot” testing.

If a plan satisfies the coverage and nondiscrimination requirements for a plan year, the employer may generally rely on this for the two succeeding plan years and will not have to test the plan in those years, provided there have not been significant changes.

If the employer is using single day, “snapshot” testing, the data given on lines 4a through 4f should be for the most recent snapshot day.

Enter on line 4 the beginning date of the plan year with respect to which the data on lines 4a through 4f was gathered.

**Line 4a.** The definition of leased employee is in Code section 414(n).

**Line 4b.** Employers can satisfy coverage by aggregating generally any qualified plans that are not mandatorily disaggregated. See the instructions for lines 4c and 4e regarding mandatory disaggregation. The aggregated plans must also satisfy the nondiscrimination requirements of Code section 401(a)(4) on an aggregated basis. If the employer aggregates this plan with any other plan(s) for the coverage and nondiscrimination requirements, enter the information requested and complete the rest of line 4 for the plans, as aggregated.

**Line 4c.** Certain single plans must be disaggregated or may be permissively disaggregated into two or more separate parts. Each of the disaggregated parts of the plan must then satisfy the coverage and nondiscrimination requirements as if it were a separate plan. Under the Treasury Regulations, the following plans must be disaggregated:

1. A plan that includes a Code section 401(k) arrangement (a qualified cash or deferred arrangement) and a portion that is not a section 401(k) arrangement.

2. A plan that includes a Code section 401(m) feature (employee and matching contributions) and a portion that is not a section 401(m) feature.

3. A plan that includes an ESOP and a portion that is not an ESOP.

4. A plan that benefits both collectively bargained employees and noncollectively bargained employees. None of the employees benefitting under a plan are considered collectively bargained employees if more than 2% of the employees covered by the plan are professional employees. (See Treasury Regulation section 1.410(b)-6(d)(2) for the definition of collectively bargained employee and Treasury Regulation section 1.410(b)-9 for the definition of professional employee.)

If the plan is disaggregated solely because it benefits both collectively bargained employees and noncollectively bargained employees, complete lines 4c and 4d for the part of the plan that benefits noncollectively bargained employees. Do not complete line 4e. No information is required with respect to the part of the plan that benefits collectively bargained employees. If the plan is disaggregated for other reasons, complete lines 4c and 4d for one disaggregated part of the plan that does not meet any of the exceptions described in line 3. Complete line 4e to report the ratio percentage(s) for the other disaggregated part(s) of the plan, regardless if identical to the entry on line 4d. For example, if the plan is a profit-sharing plan that provides nonelective contributions, Code sections 401(k) and 401(m) contributions, you may complete lines 4c and 4d for the nonelective part of the plan and enter on line 4e the ratio percentages for the sections 401(k) and 401(m) parts of the

plan. However, if the other disaggregated part(s) of the plan meets any of the exceptions described in line 3, enter the exception(s) on line 4e and leave the ratio-percentage spaces blank. For example, a plan provides for elective (section 401(k)), matching (section 401(m)) and discretionary nonelective contributions. The Code sections 401(k) and 401(m) parts of the plan do not meet any of the exceptions described in line 3 but satisfy the ratio-percentage test. There were no discretionary nonelective contributions allocated for the year. The nonelective contribution part of the plan thus satisfies exception 3b because it benefited no highly compensated employees. In this case, line 4 should be completed as follows. Complete lines 4c and 4d for the section 401(k) part of the plan and enter "401(k)" in the space provided below line 4d. Enter "401(m)" in the first line of line 4e and in the spaces to the right enter the ratio-percentage for the section 401(m) part of the plan. Enter "nonelective" in the second line of line 4e and in the right-most space enter "b."

An employer is also permitted to treat a plan benefitting otherwise excludable employees as two plans, one for the otherwise excludable employees and one for the other employees benefitting under the plan. See Treasury Regulation section 1.410(b)-7(c)(3) regarding permissive disaggregation of plans benefitting otherwise excludable employees.

**Line 4c(1).** Enter the total number of employees of the employer.

**Line 4c(2).** Enter the total number of excludable employees in the following categories:

1. Employees who have not attained the minimum age and service requirements of the plan.

**Note.** *If a plan has multiple age and service conditions or if the employer is treating a plan benefitting otherwise excludable employees as two separate plans pursuant to Treasury Regulation section 1.410(b)-6(b)(3), refer to section 1.410(b)-6(b) and section 1.410(b)-7(c)(3) of the regulations regarding the determination of excludable employees.*

2. Collectively bargained employees within the meaning of Treasury Regulation section 1.410(b)-6(d)(2).

3. Nonresident aliens who receive no U.S. source income.

4. Employees who fail to accrue a benefit solely because they: **(a)** fail to satisfy a minimum hour of service or a last day requirement under the plan; **(b)** do not have more than 500 hours of service for the plan year; and **(c)** are not employed on the last day of the plan year. See Treasury Regulation section 1.410(b)-6.

5. Employees of QSLOBs other than the one with respect to which this Schedule T is being filed.

**Line 4c(4).** The definition of highly compensated employee is contained in Code section 414(q) and its related regulations.

**Line 4c(5).** In general, an employee is "benefitting" if the employee receives an allocation of contributions or forfeitures, or accrues a benefit under the plan for the plan year. Certain other employees are treated as benefitting even if they fail to receive an allocation of contributions or forfeitures or to accrue a benefit solely because the employee is subject to plan provisions that limit plan benefits, such as a provision for maximum years of service, maximum retirement benefits, or limits designed to satisfy Code section 415. An employee is treated as benefitting under a plan (or portion of a plan) that provides for elective contributions under Code section 401(k) if the employee is eligible to make elective contributions to the Code section 401(k) arrangement even if he or she does not actually make elective contributions. Similarly, an employee is treated as benefitting under a plan (or portion of a plan) that provides for after-tax employee contributions or matching contributions under Code section 401(m) if the employee is eligible to make after-tax employee contributions or receive allocations of matching contributions even if none are actually made or received.

**Line 4d.** In general, to compute the ratio percentage, divide the number of nonexcludable employees who benefit under the plan and are not highly compensated by the total number of nonexcludable nonhighly compensated employees; put this result in the numerator (top of the fraction). Divide the number of nonexcludable employees who benefit under the plan and who are highly compensated by the total number of nonexcludable highly compensated employees; put this result in the denominator (bottom of the fraction). Divide the numerator by the denominator, multiply by 100, and enter the result in line 4d. Enter to the nearest 0.1%.

If the information on lines 4c and 4d pertains to one part of a disaggregated plan, identify, in the space provided, the disaggregated part of the plan to which the information on lines 4c and 4d pertains as follows: "nonelective," "401(k)," "401(m)," "ESOP," "non-ESOP," "excludable," "nonexcludable."

**Line 4e.** See the instructions for line 4c. Calculate the ratio percentage for the other disaggregated part(s) of the plan as described above and enter on line 4e. However, if the disaggregated part(s) of the plan meets any of the exceptions described in line 3, enter that exception on line 4e and leave the ratio-percentage spaces blank. If entering information on line 4e, identify the disaggregated part(s) of the plan as follows: "401(k)," "401(m)," "nonelective," "ESOP," "non-ESOP," "excludable," "nonexcludable."

If there are more than three other disaggregated parts of the plan, provide their ratio percentages, or the exception(s) they satisfy, on an attachment in the same format as line 4(e).

**Line 4f.** If the ratio percentage for the plan, or any disaggregated part of the plan, entered on line 4d or line 4e is less than 70%, the plan does not satisfy the ratio percentage test. An employer that is using single day "snapshot" testing may, in certain circumstances, need to adjust the 70% figure to compensate for the fact that the substantiation quality data or snapshot population does not reflect employee turnover and may overstate the plan's coverage. See section 3 of Rev. Proc. 93-42. If the plan, or any disaggregated part of the plan, does not satisfy the ratio percentage test, the plan will satisfy the minimum coverage requirements of the Code only if it satisfies the average benefit test.

A plan satisfies the average benefit test if it satisfies both the nondiscriminatory classification test and the average benefit percentage test. A plan satisfies the nondiscriminatory classification test if the plan benefits such employees as qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of highly compensated employees. Under Treasury Regulation section 1.410(b)-4, a classification will be deemed nondiscriminatory if the ratio percentage for the plan is equal to or greater than the safe harbor percentage. The safe harbor percentage is 50%, reduced by  $\frac{3}{4}$  of a percentage point for each percentage point by which the nonhighly compensated employee concentration percentage exceeds 60%. The nonhighly compensated employee concentration percentage is the percentage of all the employees of the employer who are not highly compensated employees.

In general, a plan satisfies the average benefit percentage test if the actual benefit percentage for nonhighly compensated employees is at least 70% of the actual benefit percentage for highly compensated employees. See Treasury Regulation section 1.410(b)-5. All qualified plans of the employer, including ESOPs, Code section 401(k) plans, and plans with employee or matching contributions (Code section 401(m) plans) are aggregated in determining the actual benefit percentages. Do not aggregate plans that may not be aggregated for purposes of satisfying the ratio percentage test, other than ESOPs and Code sections 401(k) and 401(m) plans. In addition, all nonexcludable employees, including those with no benefit under any qualified plan of the employer, are included in determining the actual benefit percentages.

## OMB Control Numbers

Agency	OMB Number	Agency	OMB Number
Employee Benefits Security Administration . . . . .	1210-0110	Pension Benefit Guaranty Corporation . . . . .	1212-0057
	1210-0089	Social Security Administration . . . . .	0960-0606
Internal Revenue Service . . . . .	1545-1610		

## Paperwork Reduction Act Notice

We ask for the information on this form to carry out the law as specified in ERISA and Code sections 6047(e), 6057(b), and 6058(a). You are required to give us the information. We need it to determine whether the plan is operating according to the law.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books and records relating to a form or its instructions must be retained as long as their contents may become material in the administration of the Internal Revenue Code or are required to be maintained pursuant to Title I or IV of ERISA. Generally, the Form 5500 return/reports are open to public inspection. However, Schedules E and SSA (Form 5500) are confidential, as required by Code section 6103.

The time needed to complete and file the forms listed below reflects the combined requirements of the Internal Revenue Service, Department of Labor, Pension Benefit Guaranty Corporation, and the Social Security Administration. These times will vary depending on individual circumstances. The estimated average times are:

	Pension Plans		Welfare Plans	
	Large	Small	Large	Small
Form 5500	1 hr., 44 min.	1 hr., 6 min.	1 hr., 38 min.	1 hr., 5 min.
Schedule A	1 hr., 41 min.	53 min.	8 hr., 10 min.	2 hr., 11 min.
Schedule B	6 hr.	31 min.		
Schedule C	1 hr., 17 min.		52 min.	
Schedule D	10 hr.	10 hr.		
Schedule E	3 hr., 18 min.	3 hr., 18 min.		
Schedule G	11 hr., 58 min.		6 hr., 28 min.	
Schedule H	7 hr., 56 min.		3 hr., 22 min.	
Schedule I		1 hr., 28 min.		1 hr., 28 min.
Schedule P	13 min.	2 min.		
Schedule R	1 hr.	30 min.		
Schedule SSA	6 hr., 10 min.	1 hr., 42 min.		
Schedule T	4 hr., 40 min.	37 min.		

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Tax Products Coordinating Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send any of these forms or schedules to this address. Instead, see **Where To File** on page 5.

**Forms 5500 and 5500-EZ  
Codes for Principal Business  
Activity**

This list of principal business activities and their associated codes is designed to classify an enterprise by the type of activity in which it is

engaged. These principal activity codes are based on the North American Industry Classification System.

Code	Code	Code	Code
<p><b>Agriculture, Forestry, Fishing and Hunting</b></p> <p><b>Crop Production</b></p> <p>111100 Oilseed &amp; Grain Farming</p> <p>111210 Vegetable &amp; Melon Farming (including potatoes &amp; yams)</p> <p>111300 Fruit &amp; Tree Nut Farming</p> <p>111400 Greenhouse, Nursery, &amp; Floriculture Production</p> <p>111900 Other Crop Farming (including tobacco, cotton, sugarcane, hay, peanut, sugar beet &amp; all other crop farming)</p> <p><b>Animal Production</b></p> <p>112111 Beef Cattle Ranching &amp; Farming</p> <p>112112 Cattle Feedlots</p> <p>112120 Dairy Cattle &amp; Milk Production</p> <p>112210 Hog &amp; Pig Farming</p> <p>112300 Poultry &amp; Egg Production</p> <p>112400 Sheep &amp; Goat Farming</p> <p>112510 Animal Aquaculture (including shellfish &amp; finfish farms &amp; hatcheries)</p> <p>112900 Other Animal Production</p> <p><b>Forestry and Logging</b></p> <p>113110 Timber Tract Operations</p> <p>113210 Forest Nurseries &amp; Gathering of Forest Products</p> <p>113310 Logging</p> <p><b>Fishing, Hunting and Trapping</b></p> <p>114110 Fishing</p> <p>114210 Hunting &amp; Trapping</p> <p><b>Support Activities for Agriculture and Forestry</b></p> <p>115110 Support Activities for Crop Production (including cotton ginning, soil preparation, planting, &amp; cultivating)</p> <p>115210 Support Activities for Animal Production</p> <p>115310 Support Activities For Forestry</p>	<p><b>Specialty Trade Contractors</b></p> <p>238100 Foundation, Structure, &amp; Building Exterior Contractors (including framing carpentry, masonry, glass, roofing, &amp; siding)</p> <p>238210 Electrical Contractors</p> <p>238220 Plumbing, Heating, &amp; Air-Conditioning Contractors</p> <p>238290 Other Building Equipment Contractors</p> <p>238300 Building Finishing Contractors (including drywall, insulation, painting, wallcovering, flooring, tile, &amp; finish carpentry)</p> <p>238900 Other Specialty Trade Contractors (including site preparation)</p> <p><b>Manufacturing</b></p> <p><b>Food Manufacturing</b></p> <p>311110 Animal Food Mfg</p> <p>311200 Grain &amp; Oilseed Milling</p> <p>311300 Sugar &amp; Confectionery Product Mfg</p> <p>311400 Fruit &amp; Vegetable Preserving &amp; Specialty Food Mfg</p> <p>311500 Dairy Product Mfg</p> <p>311610 Animal Slaughtering and Processing</p> <p>311710 Seafood Product Preparation &amp; Packaging</p> <p>311800 Bakeries &amp; Tortilla Mfg</p> <p>311900 Other Food Mfg (including coffee, tea, flavorings &amp; seasonings)</p> <p><b>Beverage and Tobacco Product Manufacturing</b></p> <p>312110 Soft Drink &amp; Ice Mfg</p> <p>312120 Breweries</p> <p>312130 Wineries</p> <p>312140 Distilleries</p> <p>312200 Tobacco Manufacturing</p> <p><b>Textile Mills and Textile Product Mills</b></p> <p>313000 Textile Mills</p> <p>314000 Textile Product Mills</p> <p><b>Apparel Manufacturing</b></p> <p>315100 Apparel Knitting Mills</p> <p>315210 Cut &amp; Sew Apparel Contractors</p> <p>315220 Men's &amp; Boys' Cut &amp; Sew Apparel Mfg</p> <p>315230 Women's &amp; Girls' Cut &amp; Sew Apparel Mfg</p> <p>315290 Other Cut &amp; Sew Apparel Mfg</p> <p>315990 Apparel Accessories &amp; Other Apparel Mfg</p> <p><b>Leather and Allied Product Manufacturing</b></p> <p>316110 Leather &amp; Hide Tanning &amp; Finishing</p> <p>316210 Footwear Mfg (including rubber &amp; plastics)</p> <p>316990 Other Leather &amp; Allied Product Mfg</p> <p><b>Wood Product Manufacturing</b></p> <p>321110 Sawmills &amp; Wood Preservation</p> <p>321210 Veneer, Plywood, &amp; Engineered Wood Product Mfg</p> <p>321900 Other Wood Product Mfg</p> <p><b>Paper Manufacturing</b></p> <p>322100 Pulp, Paper, &amp; Paperboard Mills</p> <p>322200 Converted Paper Product Mfg</p>	<p><b>Printing and Related Support Activities</b></p> <p>323100 Printing &amp; Related Support Activities</p> <p><b>Petroleum and Coal Products Manufacturing</b></p> <p>324110 Petroleum Refineries (including integrated)</p> <p>324120 Asphalt Paving, Roofing, &amp; Saturated Materials Mfg</p> <p>324190 Other Petroleum &amp; Coal Products Mfg</p> <p><b>Chemical Manufacturing</b></p> <p>325100 Basic Chemical Mfg</p> <p>325200 Resin, Synthetic Rubber, &amp; Artificial &amp; Synthetic Fibers &amp; Filaments Mfg</p> <p>325300 Pesticide, Fertilizer, &amp; Other Agricultural Chemical Mfg</p> <p>325410 Pharmaceutical &amp; Medicine Mfg</p> <p>325500 Paint, Coating, &amp; Adhesive Mfg</p> <p>325600 Soap, Cleaning Compound, &amp; Toilet Preparation Mfg</p> <p>325900 Other Chemical Product &amp; Preparation Mfg</p> <p><b>Plastics and Rubber Products Manufacturing</b></p> <p>326100 Plastics Product Mfg</p> <p>326200 Rubber Product Mfg</p> <p><b>Nonmetallic Mineral Product Manufacturing</b></p> <p>327100 Clay Product &amp; Refractory Mfg</p> <p>327210 Glass &amp; Glass Product Mfg</p> <p>327300 Cement &amp; Concrete Product Mfg</p> <p>327400 Lime &amp; Gypsum Product Mfg</p> <p>327900 Other Nonmetallic Mineral Product Mfg</p> <p><b>Primary Metal Manufacturing</b></p> <p>331110 Iron &amp; Steel Mills &amp; Ferroalloy Mfg</p> <p>331200 Steel Product Mfg from Purchased Steel</p> <p>331310 Alumina &amp; Aluminum Production &amp; Processing</p> <p>331400 Nonferrous Metal (except Aluminum) Production &amp; Processing</p> <p>331500 Foundries</p> <p><b>Fabricated Metal Product Manufacturing</b></p> <p>332110 Forging &amp; Stamping</p> <p>332210 Cutlery &amp; Handtool Mfg</p> <p>332300 Architectural &amp; Structural Metals Mfg</p> <p>332400 Boiler, Tank, &amp; Shipping Container Mfg</p> <p>332510 Hardware Mfg</p> <p>332610 Spring &amp; Wire Product Mfg</p> <p>332700 Machine Shops; Turned Product; &amp; Screw, Nut, &amp; Bolt Mfg</p> <p>332810 Coating, Engraving, Heat Treating, &amp; Allied Activities</p> <p>332900 Other Fabricated Metal Product Mfg</p> <p><b>Machinery Manufacturing</b></p> <p>333100 Agriculture, Construction, &amp; Mining Machinery Mfg</p> <p>333200 Industrial Machinery Mfg</p> <p>333310 Commercial &amp; Service Industry Machinery Mfg</p> <p>333410 Ventilation, Heating, Air-Conditioning, &amp; Commercial Refrigeration Equipment Mfg</p> <p>333510 Metalworking Machinery Mfg</p>	<p>333610 Engine, Turbine &amp; Power Transmission Equipment Mfg</p> <p>333900 Other General Purpose Machinery Mfg</p> <p><b>Computer and Electronic Product Manufacturing</b></p> <p>334110 Computer &amp; Peripheral Equipment Mfg</p> <p>334200 Communications Equipment Mfg</p> <p>334310 Audio &amp; Video Equipment Mfg</p> <p>334410 Semiconductor &amp; Other Electronic Component Mfg</p> <p>334500 Navigational, Measuring, Electromedical, &amp; Control Instruments Mfg</p> <p>334610 Manufacturing &amp; Reproducing Magnetic &amp; Optical Media</p> <p><b>Electrical Equipment, Appliance, and Component Manufacturing</b></p> <p>335100 Electric Lighting Equipment Mfg</p> <p>335200 Household Appliance Mfg</p> <p>335310 Electrical Equipment Mfg</p> <p>335900 Other Electrical Equipment &amp; Component Mfg</p> <p><b>Transportation Equipment Manufacturing</b></p> <p>336100 Motor Vehicle Mfg</p> <p>336210 Motor Vehicle Body &amp; Trailer Mfg</p> <p>336300 Motor Vehicle Parts Mfg</p> <p>336410 Aerospace Product &amp; Parts Mfg</p> <p>336510 Railroad Rolling Stock Mfg</p> <p>336610 Ship &amp; Boat Building</p> <p>336990 Other Transportation Equipment Mfg</p> <p><b>Furniture and Related Product Manufacturing</b></p> <p>337000 Furniture &amp; Related Product Manufacturing</p> <p><b>Miscellaneous Manufacturing</b></p> <p>339110 Medical Equipment &amp; Supplies Mfg</p> <p>339900 Other Miscellaneous Manufacturing</p> <p><b>Wholesale Trade</b></p> <p><b>Merchant Wholesalers, Durable Goods</b></p> <p>423100 Motor Vehicle &amp; Motor Vehicle Parts &amp; Supplies</p> <p>423200 Furniture &amp; Home Furnishings</p> <p>423300 Lumber &amp; Other Construction Materials</p> <p>423400 Professional &amp; Commercial Equipment &amp; Supplies</p> <p>423500 Metals &amp; Minerals (except Petroleum)</p> <p>423600 Electrical &amp; Electronic Goods</p> <p>423700 Hardware, Plumbing &amp; Heating Equipment &amp; Supplies</p> <p>423800 Machinery, Equipment, &amp; Supplies</p> <p>423910 Sporting &amp; Recreational Goods &amp; Supplies</p> <p>423920 Toy &amp; Hobby Goods &amp; Supplies</p> <p>423930 Recyclable Materials</p> <p>423940 Jewelry, Watches, Precious Stones, &amp; Precious Metals</p> <p>423990 Other Miscellaneous Durable Goods</p>
<p><b>Mining</b></p> <p>211110 Oil &amp; Gas Extraction</p> <p>212110 Coal Mining</p> <p>212200 Metal Ore Mining</p> <p>212310 Stone Mining &amp; Quarrying</p> <p>212320 Sand, Gravel, Clay, &amp; Ceramic &amp; Refractory Minerals Mining &amp; Quarrying</p> <p>212390 Other Nonmetallic Mineral Mining &amp; Quarrying</p> <p>213110 Support Activities for Mining</p>			
<p><b>Utilities</b></p> <p>221100 Electric Power Generation, Transmission &amp; Distribution</p> <p>221210 Natural Gas Distribution</p> <p>221300 Water, Sewage &amp; Other Systems</p>			
<p><b>Construction</b></p> <p><b>Construction of Buildings</b></p> <p>236110 Residential Building Construction</p> <p>236200 Nonresidential Building Construction</p> <p><b>Heavy and Civil Engineering Construction</b></p> <p>237100 Utility System Construction</p> <p>237210 Land Subdivision</p> <p>237310 Highway, Street, &amp; Bridge Construction</p> <p>237990 Other Heavy &amp; Civil Engineering Construction</p>			

**Forms 5500 and 5500-EZ Codes for Principal Business Activity (continued)**

<p><i>Code</i></p> <p><b>Merchant Wholesalers, Nondurable Goods</b></p> <p>424100 Paper &amp; Paper Products</p> <p>424210 Drugs &amp; Druggists' Sundries</p> <p>424300 Apparel, Piece Goods, &amp; Notions</p> <p>424400 Grocery &amp; Related Products</p> <p>424500 Farm Product Raw Materials</p> <p>424600 Chemical &amp; Allied Products</p> <p>424700 Petroleum &amp; Petroleum Products</p> <p>424800 Beer, Wine, &amp; Distilled Alcoholic Beverages</p> <p>424910 Farm Supplies</p> <p>424920 Books, Periodicals, &amp; Newspapers</p> <p>424930 Flower, Nursery Stock, &amp; Florists' Supplies</p> <p>424940 Tobacco &amp; Tobacco Products</p> <p>424950 Paint, Varnish, &amp; Supplies</p> <p>424990 Other Miscellaneous Nondurable Goods</p> <p><b>Wholesale Electronic Markets and Agents and Brokers</b></p> <p>425110 Business to Business Electronic Markets</p> <p>425120 Wholesale Trade Agents &amp; Brokers</p>	<p><i>Code</i></p> <p>446190 Other Health &amp; Personal Care Stores</p> <p><b>Gasoline Stations</b></p> <p>447100 Gasoline Stations (including convenience stores with gas)</p> <p><b>Clothing and Clothing Accessories Stores</b></p> <p>448110 Men's Clothing Stores</p> <p>448120 Women's Clothing Stores</p> <p>448130 Children's &amp; Infants' Clothing Stores</p> <p>448140 Family Clothing Stores</p> <p>448150 Clothing Accessories Stores</p> <p>448190 Other Clothing Stores</p> <p>448210 Shoe Stores</p> <p>448310 Jewelry Stores</p> <p>448320 Luggage &amp; Leather Goods Stores</p> <p><b>Sporting Goods, Hobby, Book, and Music Stores</b></p> <p>451110 Sporting Goods Stores</p> <p>451120 Hobby, Toy, &amp; Game Stores</p> <p>451130 Sewing, Needlework, &amp; Piece Goods Stores</p> <p>451140 Musical Instrument &amp; Supplies Stores</p> <p>451211 Book Stores</p> <p>451212 News Dealers &amp; Newsstands</p> <p>451220 Prerecorded Tape, Compact Disc, &amp; Record Stores</p> <p><b>General Merchandise Stores</b></p> <p>452110 Department Stores</p> <p>452900 Other General Merchandise Stores</p> <p><b>Miscellaneous Store Retailers</b></p> <p>453110 Florists</p> <p>453210 Office Supplies &amp; Stationery Stores</p> <p>453220 Gift, Novelty, &amp; Souvenir Stores</p> <p>453310 Used Merchandise Stores</p> <p>453910 Pet &amp; Pet Supplies Stores</p> <p>453920 Art Dealers</p> <p>453930 Manufactured (Mobile) Home Dealers</p> <p>453990 All Other Miscellaneous Store Retailers (including tobacco, candle, &amp; trophy shops)</p> <p><b>Nonstore Retailers</b></p> <p>454110 Electronic Shopping &amp; Mail-Order Houses</p> <p>454210 Vending Machine Operators</p> <p>454311 Heating Oil Dealers</p> <p>454312 Liquefied Petroleum Gas (Bottled Gas) Dealers</p> <p>454319 Other Fuel Dealers</p> <p>454390 Other Direct Selling Establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, &amp; coffee-break service providers)</p>	<p><i>Code</i></p> <p>485320 Limousine Service</p> <p>485410 School &amp; Employee Bus Transportation</p> <p>485510 Charter Bus Industry</p> <p>485990 Other Transit &amp; Ground Passenger Transportation</p> <p><b>Pipeline Transportation</b></p> <p>486000 Pipeline Transportation</p> <p><b>Scenic &amp; Sightseeing Transportation</b></p> <p>487000 Scenic &amp; Sightseeing Transportation</p> <p><b>Support Activities for Transportation</b></p> <p>488100 Support Activities for Air Transportation</p> <p>488210 Support Activities for Rail Transportation</p> <p>488300 Support Activities for Water Transportation</p> <p>488410 Motor Vehicle Towing</p> <p>488490 Other Support Activities for Road Transportation</p> <p>488510 Freight Transportation Arrangement</p> <p>488990 Other Support Activities for Transportation</p> <p><b>Couriers and Messengers</b></p> <p>492110 Couriers</p> <p>492210 Local Messengers &amp; Local Delivery</p> <p><b>Warehousing and Storage</b></p> <p>493100 Warehousing &amp; Storage (except lessors of miniwarehouses &amp; self-storage units)</p>	<p><i>Code</i></p> <p>522130 Credit Unions</p> <p>522190 Other Depository Credit Intermediation</p> <p><b>Nondepository Credit Intermediation</b></p> <p>522210 Credit Card Issuing</p> <p>522220 Sales Financing</p> <p>522291 Consumer Lending</p> <p>522292 Real Estate Credit (including mortgage bankers &amp; originators)</p> <p>522293 International Trade Financing</p> <p>522294 Secondary Market Financing</p> <p>522298 All Other Nondepository Credit Intermediation</p> <p><b>Activities Related to Credit Intermediation</b></p> <p>522300 Activities Related to Credit Intermediation (including loan brokers, check clearing, &amp; money transmitting)</p> <p><b>Securities, Commodity Contracts, and Other Financial Investments and Related Activities</b></p> <p>523110 Investment Banking &amp; Securities Dealing</p> <p>523120 Securities Brokerage</p> <p>523130 Commodity Contracts Dealing</p> <p>523140 Commodity Contracts Brokerage</p> <p>523210 Securities &amp; Commodity Exchanges</p> <p>523900 Other Financial Investment Activities (including portfolio management &amp; investment advice)</p>
<p><b>Retail Trade</b></p> <p><b>Motor Vehicle and Parts Dealers</b></p> <p>441110 New Car Dealers</p> <p>441120 Used Car Dealers</p> <p>441210 Recreational Vehicle Dealers</p> <p>441221 Motorcycle Dealers</p> <p>441222 Boat Dealers</p> <p>441229 All Other Motor Vehicle Dealers</p> <p>441300 Automotive Parts, Accessories, &amp; Tire Stores</p> <p><b>Furniture and Home Furnishings Stores</b></p> <p>442110 Furniture Stores</p> <p>442210 Floor Covering Stores</p> <p>442291 Window Treatment Stores</p> <p>442299 All Other Home Furnishings Stores</p> <p><b>Electronics and Appliance Stores</b></p> <p>443111 Household Appliance Stores</p> <p>443112 Radio, Television, &amp; Other Electronics Stores</p> <p>443120 Computer &amp; Software Stores</p> <p>443130 Camera &amp; Photographic Supplies Stores</p> <p><b>Building Material and Garden Equipment and Supplies Dealers</b></p> <p>444110 Home Centers</p> <p>444120 Paint &amp; Wallpaper Stores</p> <p>444130 Hardware Stores</p> <p>444190 Other Building Material Dealers</p> <p>444200 Lawn &amp; Garden Equipment &amp; Supplies Stores</p> <p><b>Food and Beverage Stores</b></p> <p>445110 Supermarkets and Other Grocery (except Convenience) Stores</p> <p>445120 Convenience Stores</p> <p>445210 Meat Markets</p> <p>445220 Fish &amp; Seafood Markets</p> <p>445230 Fruit &amp; Vegetable Markets</p> <p>445291 Baked Goods Stores</p> <p>445292 Confectionery &amp; Nut Stores</p> <p>445299 All Other Specialty Food Stores</p> <p>445310 Beer, Wine, &amp; Liquor Stores</p> <p><b>Health and Personal Care Stores</b></p> <p>446110 Pharmacies &amp; Drug Stores</p> <p>446120 Cosmetics, Beauty Supplies, &amp; Perfume Stores</p> <p>446130 Optical Goods Stores</p>	<p><b>Transportation and Warehousing</b></p> <p><b>Air, Rail, and Water Transportation</b></p> <p>481000 Air Transportation</p> <p>482110 Rail Transportation</p> <p>483000 Water Transportation</p> <p><b>Truck Transportation</b></p> <p>484110 General Freight Trucking, Local</p> <p>484120 General Freight Trucking, Long-distance</p> <p>484200 Specialized Freight Trucking</p> <p><b>Transit and Ground Passenger Transportation</b></p> <p>485110 Urban Transit Systems</p> <p>485210 Interurban &amp; Rural Bus Transportation</p> <p>485310 Taxi Service</p>	<p><b>Information</b></p> <p><b>Publishing Industries (except Internet)</b></p> <p>511110 Newspaper Publishers</p> <p>511120 Periodical Publishers</p> <p>511130 Book Publishers</p> <p>511140 Directory &amp; Mailing List Publishers</p> <p>511190 Other Publishers</p> <p>511210 Software Publishers</p> <p><b>Motion Picture and Sound Recording Industries</b></p> <p>512100 Motion Picture &amp; Video Industries (except video rental)</p> <p>512200 Sound Recording Industries</p> <p><b>Broadcasting (except Internet)</b></p> <p>515100 Radio &amp; Television Broadcasting</p> <p>515210 Cable &amp; Other Subscription Programming</p> <p><b>Internet Publishing and Broadcasting</b></p> <p>516110 Internet Publishing &amp; Broadcasting</p> <p><b>Telecommunications</b></p> <p>517000 Telecommunications (including paging, cellular, satellite, cable &amp; other program distribution, resellers, &amp; other telecommunications)</p>	<p><b>Insurance Carriers and Related Activities</b></p> <p>524140 Direct Life, Health, &amp; Medical Insurance &amp; Reinsurance Carriers</p> <p>524150 Direct Insurance &amp; Reinsurance (except Life, Health &amp; Medical) Carriers</p> <p>524210 Insurance Agencies &amp; Brokerages</p> <p>524290 Other Insurance Related Activities (including third-party administration of insurance and pension funds)</p> <p><b>Funds, Trusts, and Other Financial Vehicles</b></p> <p>525100 Insurance &amp; Employee Benefit Funds</p> <p>525910 Open-End Investment Funds (Form 1120-RIC)</p> <p>525920 Trusts, Estates, &amp; Agency Accounts</p> <p>525930 Real Estate Investment Trusts (Form 1120-REIT)</p> <p>525990 Other Financial Vehicles (including closed-end investment funds)</p> <p>"Offices of Bank Holding Companies" and "Offices of Other Holding Companies" are located under <b>Management of Companies (Holding Companies)</b>.</p>
		<p><b>Internet Service Providers, Web Search Portals, and Data Processing Services</b></p> <p>518111 Internet Service Providers</p> <p>518112 Web Search Portals</p> <p>518210 Data Processing, Hosting, &amp; Related Services</p> <p><b>Other Information Services</b></p> <p>519100 Other Information Services (including news syndicates &amp; libraries)</p> <p><b>Finance and Insurance</b></p> <p><b>Depository Credit Intermediation</b></p> <p>522110 Commercial Banking</p> <p>522120 Savings Institutions</p>	<p><b>Real Estate and Rental and Leasing</b></p> <p><b>Real Estate</b></p> <p>531110 Lessors of Residential Buildings &amp; Dwellings</p> <p>531114 Cooperative Housing</p> <p>531120 Lessors of Nonresidential Buildings (except Miniwarehouses)</p> <p>531130 Lessors of Miniwarehouses &amp; Self-Storage Units</p> <p>531190 Lessors of Other Real Estate Property</p> <p>531210 Offices of Real Estate Agents &amp; Brokers</p>

**Forms 5500 and 5500–EZ Codes for Principal Business Activity (continued)**

<p><i>Code</i></p> <p>531310 Real Estate Property Managers</p> <p>531320 Offices of Real Estate Appraisers</p> <p>531390 Other Activities Related to Real Estate</p> <p><b>Rental and Leasing Services</b></p> <p>532100 Automotive Equipment Rental &amp; Leasing</p> <p>532210 Consumer Electronics &amp; Appliances Rental</p> <p>532220 Formal Wear &amp; Costume Rental</p> <p>532230 Video Tape &amp; Disc Rental</p> <p>532290 Other Consumer Goods Rental</p> <p>532310 General Rental Centers</p> <p>532400 Commercial &amp; Industrial Machinery &amp; Equipment Rental &amp; Leasing</p> <p><b>Lessors of Nonfinancial Intangible Assets (except copyrighted works)</b></p> <p>533110 Lessors of Nonfinancial Intangible Assets (except copyrighted works)</p>	<p><i>Code</i></p> <p>541940 Veterinary Services</p> <p>541990 All Other Professional, Scientific, &amp; Technical Services</p> <p><b>Management of Companies (Holding Companies)</b></p> <p>551111 Offices of Bank Holding Companies</p> <p>551112 Offices of Other Holding Companies</p> <p><b>Administrative and Support and Remediation Services</b></p> <p><b>Administrative and Support Services</b></p> <p>561110 Office Administrative Services</p> <p>561210 Facilities Support Services</p> <p>561300 Employment Services</p> <p>561410 Document Preparation Services</p> <p>561420 Telephone Call Centers</p> <p>561430 Business Service Centers (including private mail centers &amp; copy shops)</p> <p>561440 Collection Agencies</p> <p>561450 Credit Bureaus</p> <p>561490 Other Business Support Services (including repossession services, court reporting, &amp; stenotype services)</p> <p>561500 Travel Arrangement &amp; Reservation Services</p> <p>561600 Investigation &amp; Security Services</p> <p>561710 Exterminating &amp; Pest Control Services</p> <p>561720 Janitorial Services</p> <p>561730 Landscaping Services</p> <p>561740 Carpet &amp; Upholstery Cleaning Services</p> <p>561790 Other Services to Buildings &amp; Dwellings</p> <p>561900 Other Support Services (including packaging &amp; labeling services, &amp; convention &amp; trade show organizers)</p> <p><b>Waste Management and Remediation Services</b></p> <p>562000 Waste Management &amp; Remediation Services</p> <p><b>Educational Services</b></p> <p>611000 Educational Services (including schools, colleges, &amp; universities)</p> <p><b>Health Care and Social Assistance</b></p> <p><b>Offices of Physicians and Dentists</b></p> <p>621111 Offices of Physicians (except mental health specialists)</p> <p>621112 Offices of Physicians, Mental Health Specialists</p> <p>621210 Offices of Dentists</p> <p><b>Offices of Other Health Practitioners</b></p> <p>621310 Offices of Chiropractors</p> <p>621320 Offices of Optometrists</p> <p>621330 Offices of Mental Health Practitioners (except Physicians)</p> <p>621340 Offices of Physical, Occupational &amp; Speech Therapists, &amp; Audiologists</p>	<p><i>Code</i></p> <p>621391 Offices of Podiatrists</p> <p>621399 Offices of All Other Miscellaneous Health Practitioners</p> <p><b>Outpatient Care Centers</b></p> <p>621410 Family Planning Centers</p> <p>621420 Outpatient Mental Health &amp; Substance Abuse Centers</p> <p>621491 HMO Medical Centers</p> <p>621492 Kidney Dialysis Centers</p> <p>621493 Freestanding Ambulatory Surgical &amp; Emergency Centers</p> <p>621498 All Other Outpatient Care Centers</p> <p><b>Medical and Diagnostic Laboratories</b></p> <p>621510 Medical &amp; Diagnostic Laboratories</p> <p><b>Home Health Care Services</b></p> <p>621610 Home Health Care Services</p> <p><b>Other Ambulatory Health Care Services</b></p> <p>621900 Other Ambulatory Health Care Services (including ambulance services &amp; blood &amp; organ banks)</p> <p><b>Hospitals</b></p> <p>622000 Hospitals</p> <p><b>Nursing and Residential Care Facilities</b></p> <p>623000 Nursing &amp; Residential Care Facilities</p> <p><b>Social Assistance</b></p> <p>624100 Individual &amp; 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bowling centers)</p> <p><b>Accommodation and Food Services</b></p> <p><b>Accommodation</b></p> <p>721110 Hotels (except Casino Hotels) &amp; Motels</p> <p>721120 Casino Hotels</p> <p>721191 Bed &amp; Breakfast Inns</p>	<p><i>Code</i></p> <p>721199 All Other Traveler Accommodation</p> <p>721210 RV (Recreational Vehicle) Parks &amp; Recreational Camps</p> <p>721310 Rooming &amp; Boarding Houses</p> <p><b>Food Services and Drinking Places</b></p> <p>722110 Full-Service Restaurants</p> <p>722210 Limited-Service Eating Places</p> <p>722300 Special Food Services (including food service contractors &amp; caterers)</p> <p>722410 Drinking Places (Alcoholic Beverages)</p> <p><b>Other Services</b></p> <p><b>Repair and Maintenance</b></p> <p>811110 Automotive Mechanical &amp; Electrical Repair &amp; Maintenance</p> <p>811120 Automotive Body, Paint, Interior, &amp; Glass Repair</p> <p>811190 Other Automotive Repair &amp; Maintenance (including oil change &amp; lubrication shops &amp; car washes)</p> <p>811210 Electronic &amp; 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## ERISA COMPLIANCE QUICK CHECKLIST

Compliance with the Employee Retirement Income Security Act (ERISA) begins with knowing the rules. Plan administrators and other plan officials can use this checklist as a quick diagnostic tool for assessing a plan's compliance with certain important ERISA rules; it is not a complete description of all ERISA's rules and it is not a substitute for a comprehensive compliance review. Use of this checklist is voluntary, and it should not be filed with your Form 5500.

**If you answer "No" to any of the questions below, you should review your plan's operations because you may not be in full compliance with ERISA's requirements.**

1. Have you provided plan participants with a summary plan description, summaries of any material modifications of the plan, and annual summary financial reports?
2. Do you maintain copies of plan documents at the principal office of the plan administrator for examination by participants and beneficiaries?
3. Do you respond to written participant inquires for copies of plan documents and information within 30 days?
4. Does your plan include written procedures for making benefit claims and appealing denied claims, and are you complying with those procedures?
5. Is your plan covered by a fidelity bond against losses due to fraud or dishonesty?
6. Are the plan's investments diversified so as to minimize the risk of large losses?
7. If the plan permits participants to select the investments in their plan accounts, has the plan provided them with enough information to make informed decisions?
8. Has a plan official determined that the investments are prudent and solely in the interest of the plan's participants and beneficiaries, and evaluated the risks associated with plan investments before making the investments?
9. Did the employer or other plan sponsor send participant contributions to the plan on a timely basis?
10. Did the plan pay participant benefits on time and in the correct amounts?

**If you answer "Yes" to any of the questions below, you should review your plan's operations because you may not be in full compliance with ERISA's requirements.**

1. Has the plan engaged in any financial transactions with persons related to the plan or any plan official? (For example, has the plan made a loan to or participated in an investment with the employer?)
2. Has the plan official used the assets of the plan for his/her own interest?
3. Have plan assets been used to pay expenses that were not authorized in the plan document, were not necessary to the proper administration of the plan, or were more than reasonable in amount?

**If you need help answering these questions or want additional guidance about ERISA requirements, a plan official should contact the U.S. Department of Labor Employee Benefits Security Administration office in your region or consult with the plan's legal counsel or professional employee benefit advisor.**



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