



RESEARCH MEMO

Reminder:
***New Reporting and Disclosure Requirements
Under PPA Apply This Year***

This *Research Memo* is a reminder about the new reporting and disclosure requirements applicable to defined benefit pension plans beginning with the 2008 plan year. These new reporting and disclosure requirements under *Title V* of the *Pension Protection Act of 2006 (PPA)* were discussed in [Client Bulletin 2006-45](#), pages 8-13 and [Research Memo 2006-52](#).

Changes to Annual Report and Distribution of SAR

Section 503(a) of the *PPA* added a new subsection (f) to *ERISA Section 103* which requires a defined benefit plan's annual report (Form 5500) to include additional information about the plan. As a result, *PPA Section 503(c)* relieved defined benefit plans of the requirement under *ERISA Section 104(b)* to distribute a summary annual report (SAR).

PPA Section 503(b) requires the Annual Actuarial Statement Regarding Plan Retirement Projections to include a "*statement explaining the actuarial assumptions and methods used in projecting future retirements and forms of benefit distributions under the plan.*" The amendments made by *PPA Section 503* apply to plan years beginning after December 31, 2007.

Absent an extension, the Form 5500 must be filed by the last day of the seventh calendar month following the end of the plan year. For calendar year plans, this means the requirement to include this information will apply for the 2008 plan year and be included in the Form 5500 due by July 31, 2009 (or September 15, if an extension is filed). The changes to the annual report were discussed extensively in [Research Memo 2008-10](#).

Additional Disclosure to Employee Organizations and Employers

PPA Section 503(d) added a new subsection (d) to *ERISA Section 104*. The new subsection requires multiemployer defined benefit plans to furnish each employee organization and to each employer with an obligation to contribute to the plan a report that contains certain information. This report must be furnished within 30 days after the due date for the filing of the annual report. Fortunately, the

information for the report can be drawn from the annual report, as shown in the attached chart ([“click here”](#)) comparing the new annual reporting requirements and the new participant/contributing employer disclosure requirements. The left column of the chart lists the information to be included in the annual report and the right column of the chart lists the corresponding section of the new participant/employer disclosure requirements. This information can be gleaned from Schedule MB and Schedule R, and from knowledge of the current funding status of the plan.

This report must also contain notice of the right of the recipient to a copy of the: (1) annual report filed with the Secretary; (2) summary plan description and (3) summary of any material modification of the plan upon written request. The notice must also state that: (1) in no case shall a recipient be entitled to receive more than one copy of any such document described during any one 12-month period and (2) the administrator may make a reasonable charge to cover copying, mailing and other costs of furnishing copies of information pursuant to this subsection. As of the date of this publication, no model notices or guidance has been issued.

Delay in Requirement of Submission of Data in Electronic Format

On a related note, the requirement of [PPA Section 504](#) to provide plan identification information, basic plan information and actuarial information included in the annual report in electronic format with the Secretary of Labor **was delayed**. Plans are now required to provide this information in an electronic format that accommodates Internet Display for any plan year beginning on or after January 1, 2009. See [Special Bulletin 2007-67](#) and [ERISA Reg. §2520.104a-2](#) for more information.

Absent an extension, the annual report must be filed by the last day of the seventh calendar month following the end of the plan year. For calendar year plans, this means the first e-filing of this information will be due by July 31, 2010, or September 15, 2010 with an extension.

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Clarification

[Special Bulletin 2009-32](#) addressed the new optional procedure pension plans can use to offset the effects of the new tax tables issued in February 2009 under the stimulus law, the *American Recovery and Reinvestment Act of 2009 (ARRA)*. The *Bulletin* might have been more accurately titled “IRS Announces A New Optional Method Of Calculating Withholding For Pension Distributions” (instead of “IRS Announces Optional Withholding Tables For Pension Distributions”). The text of [Special Bulletin 2009-32](#) clarified that the IRS was announcing an optional method of calculating withholding, not a full set of new tables like those found in Publication 15-T. Withholding will continue to utilize the tables effective April 1, 2009. The new procedure, if elected, will simply cause an additional dollar amount to withheld from each check.

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