



BENEFIT NEWS BRIEFS

IRS Employee Plans Compliance Unit Update on Multiemployer Pension Projects

The IRS recently released information on three of its Employee Plans Compliance Unit's (EPCU's) multiemployer pension plan projects and discussed future projects. These are: (1) the *Multiemployer Actuarial Certifications – Project Summary*; (2) a *Multiemployer Certifications Project*; and (3) *Multiemployer Validation Project*. Each project is summarized below.

Multiemployer Actuarial Certifications – Project Summary

The IRS reported that the EPCU has summarized the information gathered from multiemployer plans actuarial certifications that the IRS received during the last five years. Based on this information, the IRS is considering future multiemployer plans compliance projects. This summary is available by "[clicking here.](#)" The summary looks at *PPA* certifications, *WRERA* and *PRA* elections for 2008-2012.

As a refresher, multiemployer defined benefit plans must certify their actuarial status annually. This annual actuarial certification is due by:

- March 31 for a calendar year plan; or
- 90 days after the beginning of the plan year for a fiscal year plan.

Plan sponsors who fail to provide the certification on time may be subject to a penalty of up to \$1,100 per day. More detail on this multiemployer defined benefit plan certification project is available by "[clicking here.](#)"

Multiemployer Certifications Project

In this project, the IRS focused on multiemployer sponsors who filed a Form 5500-series return indicating they were a multiemployer defined benefit plan but didn't provide an actuarial certification. According to the IRS, most cases were resolved because:

- the plan wasn't required to submit a certification because it terminated or PBGC took it over;
- the plan used an incorrect EIN or there was a mismatched EIN;

- the plan incorrectly indicated on Form 5500 that it was a multiemployer defined benefit plan;
- the certification listed incorrect or incomplete information; or
- the plan sponsor didn't send a certification to the IRS.

Multiemployer Validation Project

To validate whether filers had correctly designated themselves as multiemployer defined benefit plans, the IRS also reviewed Form 5500 returns for plans it believed had incorrectly indicated they were multiemployer defined benefit plans. The majority of the cases were resolved because the plan:

- was a defined contribution plan;
- was a defined benefit plan but not a multiemployer plan;
- was a defined benefit multiemployer plan but didn't file the required certification; or
- submitted a certification with discrepancies that prevented the IRS from associating it with the correct files.

Future EPCU Project For Multiemployer Defined Benefit Plans

According to the IRS, the EPCU is considering a follow up project to determine why multiemployer defined benefit plans with scheduled rehabilitation or funding improvement plans either:

- didn't report their scheduled progress on the certifications; or
- aren't making progress (for plans that reported "not making progress").

The IRS noted it continues to receive and share data on multiemployer defined benefit actuarial certifications with both the DOL and PBGC.

Trustees of multiemployer defined benefit pension plans should be diligent in reporting their scheduled progress under any rehabilitation or funding improvement plan and also be able to explain why their plan isn't making progress if such is the case.

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