Employer Compliance Resource: Form 5500 Filing Requirements

*Presented by **IBT Consulting – Innovative Benefits***

What Is Form 5500?

Form 5500 is an annual federal reporting requirement jointly administered by the **Department of Labor (DOL)** and the **Internal Revenue Service (IRS)**.

Its purpose is to ensure transparency, accountability, and compliance for **ERISA-covered employee benefit plans**, including health and welfare plans.

For many employers, Form 5500 filing is a **legal obligation**, not a discretionary or optional task.

Why Form 5500 Is Required

Under ERISA, certain employee benefit plans must file Form 5500 to:

- Disclose plan structure and funding
- Report plan participation counts
- Demonstrate compliance with ERISA fiduciary standards
- Support government oversight and participant protections

Form 5500 filings are public records and are often reviewed during audits, transactions, and litigation.

Which Employers Must File Form 5500

Whether an employer must file Form 5500 depends on **plan type, funding arrangement, and number of participants**.

Generally Required to File

Employers typically **must file Form 5500** if they:

- Maintain an **ERISA-covered welfare benefit plan**, **and**

- Have **100 or more participants** at the beginning of the plan year

This commonly applies to:

- Fully insured group health plans
- Level-funded plans
- Certain HRAs
- Wrap plans covering multiple benefits

Common Exemptions

Employers are generally **exempt from filing** if:

- The plan is **fully insured**, **and**
- The plan has **fewer than 100 participants** at the start of the plan year

However, exemptions are **not automatic** and depend on how the plan is structured and documented.

Why Wrap Documents Matter for Form 5500

Employers using **ERISA wrap documents** often consolidate multiple benefits into **one ERISA plan**.

This can:

- Reduce the number of Form 5500 filings required
- Simplify compliance administration
- Clarify participant counts
- Improve audit defensibility

Without a wrap document, employers may unknowingly create **multiple ERISA plans**, each with its own filing obligation.

Filing Deadlines

Form 5500 must be filed:

- **By the last day of the 7th month** following the end of the plan year
    - Calendar-year plans: **July 31**

Extensions

- Employers may request a **2.5-month extension** by filing **Form 5558**
- Extended deadline for calendar-year plans: **October 15**

Penalties for Non-Compliance

Failure to file Form 5500 accurately and on time may result in significant penalties:

- **DOL penalties:** up to **$2,586 per day**
- **IRS penalties:** up to **$250 per day**, capped per plan year

Penalties may apply even if failure was unintentional.

Common Employer Misconceptions

- "We are fully insured, so we don't have to file."
- "Our broker handles this automatically."
- "We're under 100 employees, so it doesn't apply."

In reality, **plan structure—not just headcount—determines filing obligations**.

Documented Regulatory Sources

Employers may reference the following authoritative sources:

- **ERISA §104** – Reporting and Disclosure Requirements
  https://www.law.cornell.edu/uscode/text/29/1024
- **DOL – Form 5500 Overview**
  https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/form-5500
- **IRS – Form 5500 Instructions**
  https://www.irs.gov/forms-pubs/about-form-5500
- **29 CFR §2520.104-20** – Small Plan Exemptions
  https://www.ecfr.gov/current/title-29/subtitle-B/chapter-XXV/subchapter-A/part-2520

These sources govern filing obligations, exemptions, deadlines, and penalties.

How IBT Consulting Supports Employers

IBT Consulting assists employers by:

- Evaluating Form 5500 filing requirements
- Reviewing plan structure and participant counts
- Aligning wrap documents and SPDs for compliance
- Coordinating with third-party administrators and preparers
- Supporting audit readiness and risk mitigation

Our role is to help employers **understand their obligation and make informed, defensible decisions**.

Final Thoughts for Employers

Form 5500 compliance is closely connected to:

- ERISA wrap documents
- Summary Plan Descriptions
- Fiduciary governance

A proactive compliance review can prevent costly penalties and operational disruption.

Contact IBT Consulting

IBT Consulting – Innovative Benefits
Trusted advisor to employers navigating benefits, compliance, and fiduciary responsibility.

📞 817-367-7774
🕘 Monday–Friday | 8:00 AM – 5:30 PM

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