

Check Your Plans' Forms 5500 and Check Them Twice!

September 3, 2025

PRACTICES Employee Benefits and Executive Compensation

For calendar-year employee benefit plans, the extended deadline for filing the 2024 Forms 5500 is coming up on October 15, 2025. Accordingly, plan sponsors filing under the extended deadline will be reviewing draft Forms 5500 in the coming weeks. Although most plan sponsors rely on third parties to prepare and even file their plans' Forms 5500, plan sponsors must be mindful that they are ultimately responsible for the forms' correctness.

To that end, it is important for plan sponsors to carefully review the draft Forms 5500 and compare the current year's drafts with the prior year's filings to spot any unexplained changes. The following tips are intended to help plan sponsors review their draft 2024 Forms 5500 to prevent errors that could lead to penalties, follow up questions, or even plan investigations from the IRS or DOL.

- Double check the basic identifying information, including the full legal name of the plan and plan sponsor, the plan sponsor's EIN, and the plan number, for accuracy. If the name of the plan or plan sponsor, or the plan sponsor's EIN has changed since the last Form 5500 was filed, ensure that line 4 of the Form 5500 is accurately completed.
- Review the number of participants reported at the beginning of the 2024 plan year, compare it with the number of participants reported for the end of the plan year on the 2023 Form 5500, and ensure that there is a valid explanation for any discrepancy.
- Compare the pension feature codes or welfare feature codes, as applicable, reported on line 8 of the 2024 Form 5500 with the codes reported on the 2023 Form 5500. Once again, if there are any discrepancies, ensure that there is a valid explanation.
- Review the schedules checked on line 10 of the Form 5500. Ensure that all the schedules that are selected are actually included in the filing. Compare the schedules included with the 2024 Form 5500 with the schedules included in the 2023 Form 5500 and make sure there is a valid reason for any discrepancy.
- Review the financial information in Schedule H or I, as applicable. Verify that the beginning and end-of-year asset totals match the plan's financial records. Review the movement of plan assets, and check that all contributions, earnings, expenses, and distributions are accurately reported. If any of the numbers reported on the financial schedules don't make sense, follow up with the plan's auditors or the third-party that prepared the draft Form 5500.
- Carefully review the responses to the compliance questions in Schedule H or I, as applicable, to ensure no improper dealings occurred between the plan and "parties-in-interest," such as the employer or a service provider. Verify that the required fidelity bond, which protects the plan against fraud and dishonesty, was in place and sufficient. Confirm that any delinquent contributions are properly reported, and consider correcting any delinquent contributions prior to filing the Form 5500. If the audited financial statements indicate that delinquent contributions have been corrected under the DOL's Voluntary Fiduciary Correction Program ("**VFCP**"), make sure the error has been fully corrected and the VFCP application has been filed, prior to filing the Form 5500.
- If required to file an audit report (i.e., for "large" retirement plans), make sure that the audit report is included with the Form 5500 filing. Note any issues or "deficiencies" the auditor identifies and try to remedy those issues as soon as possible.

Finally, if the plan's service provider signs the Form 5500 electronically, ensure you receive a copy of the manually signed Form 5500 for the plan's records.

While this above list is by no means exhaustive, it will help protect against errors in the Form 5500 filings.