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Highlights

Highlights of [GAO-05-491](#), a report to congressional committees

Why GAO Did This Study

The Form 5500 is the primary source of information for both the federal government and the private sector regarding the operation, funding, assets, and investments of private pension and other employee benefit plans. Currently, the Department of Labor (Labor) requires about 3 years to provide certain usable Form 5500 information to the public, leading to complaints that the information is not timely. We have prepared this report under the Comptroller General's authority, and it is intended to assist Congress in improving the timeliness and content of Form 5500 information. This report is addressed to the congressional committees of jurisdiction. It examines: (1) the information reported on the form and how it is used, (2) factors that affect the timeliness of Form 5500 information, and (3) issues affecting the content of the form.

What GAO Recommends

GAO makes recommendations to Labor, the Internal Revenue Service, and the Pension Benefit Guaranty Corporation aimed at improving the timeliness and content of Form 5500 information such as requiring the electronic filing of Form 5500 and making modifications to the form. Labor, IRS, and PBGC generally agreed with our recommendations. Also, Labor, IRS, PBGC, and the Social Security Administration provided technical comments on the draft. We incorporated each agency's comments as appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-05-491.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barbara Bovbjerg at (202) 512-7215 or bovbjergb@gao.gov.

PRIVATE PENSIONS

Government Actions Could Improve the Timeliness and Content of Form 5500 Pension Information

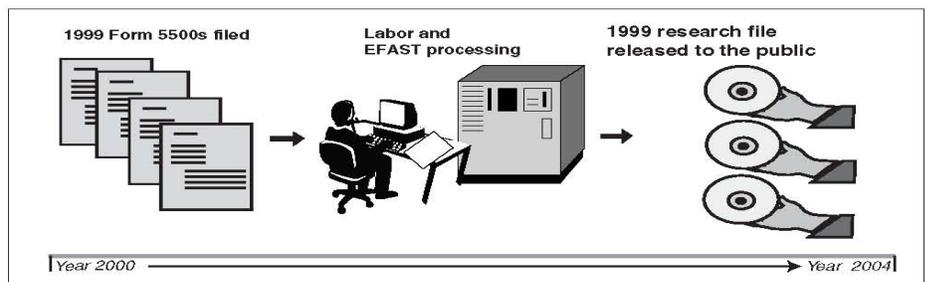
What GAO Found

Detailed information on private pension plans is reported on the Form 5500, and Labor, IRS, and PBGC use the information for compliance, research, and public disclosure purposes. Information collected on the form includes basic plan identifying information as well as detailed information including assets and liabilities, insurance, and financial transactions. The principal users of Form 5500 Reports—Labor, IRS, and PBGC—use the reports primarily as a compliance tool to identify actual and potential violations of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code. Other federal agencies and policy researchers also use Form 5500 information.

Statutory reporting requirements, processing issues, and current Labor practices affect the timeliness of the release of Form 5500 information, resulting in a 3 year lag, in some cases, in releasing certain usable computerized Form 5500 information to the non-principal federal agencies and others. First, under the current statutory reporting requirements, filers can have up to 285 days after the end of the plan year to file their Form 5500. Second, 98 percent of filings are in a paper format. These take more than three times as long as electronic filings to process and have twice as many errors. Third, the release of the Form 5500 information in the research file—the Form 5500's most practical form—is further delayed because Labor waits until all filings for that plan year are processed, which can take up to 2 years.

Despite the efforts of Labor, IRS, and PBGC to improve its content, the Form 5500 lacks key information. These agencies have taken certain steps to improve the content of the Form 5500, such as reviewing the Form 5500 annually to ensure that the form is collecting all the information required by law. However, the form still lacks key information that could better assist Labor, IRS, and PBGC in identifying and tracking all plans over time and monitoring multiemployer plans. Federal and private sector researchers also told us the form could collect better plan financial information, such as 401(k) plan fees. In addition, federal agency officials told us certain information could be reported earlier than the current filing deadline, such as information on a plan's funding status, as well as its assets and liabilities.

Timeliness of the Processing and Release of Form 5500 Information



Source: GAO analysis.