From: Cooke, Donna L [Donna.Cooke@RetirementPartner.com]
Sent: Wednesday, April 07, 2004 11:21 AM
To: EFAST2@dol.gov
Subject: EFAST RFC

We are a third party administrator of about 1200 micro sized pension plans.

I would like to comment on the proposed changes to the EFAST 5500 filing system.

Mandatory electronic filings-
Our market, the very small size employer, seldom has web access or computer savvy people working for them. Thus it would make it nearly impossible for them to file under this method.
Specifically, 5500-EZs should not be required to file electronically.

Charging a fee for filings-
Qualified retirement plans are voluntary. The reporting is burdensome enough. Adding a fee would just encourage non-compliance with the already burdensome reporting requirements.
Small employers can barely afford the annual administration costs, any additional costs for filing would have to be passed on to the employer.

Paper returns limited to government forms-
BAD idea. We tried that with the original EFAST system. It costs the government too much to distribute them and makes it very cumbersome to file.
Approved software is the best way to prepare paper filings due to the built in audit checks, minimizing errors and DOL-to-sponsor communications.

4/30 deadline for paper filers-
Physically impossible for 401(k) administrators.
With the deadline of 3/15 for ADP/ACP refunds, all of our resources are put towards that task. There are not enough bodies to also be working on the 5500s.
Plans that fall under the 412 minimum funding standards do not have to pay until 9/15 every year so the extended date would still have to be 10/15. Thus every administrator would just extend all of their filings and we would be in the same place we are today.

Obtaining a unique EIN-
Getting TIN & EIN are already challenging. Though it was improved by the IRS allowing administrators to get numbers on line.
Adding more numbers only adds more confusion. Recently when the IRS went after non-filers and realized that there was just a confusion on what number to use. Adding another number will just compound this problem, not help it.

To improve the number of electronic filings the only answer is to go to a web based system. The system has to be flexible enough that numerous parties can view/modify the filing prior to the final submission. Actuaries, auditors, trustees and plan administrators must all review, sign and modify before it is submitted. Please review the new PBGC on-line process that allows various people to review & sign the form prior to the final submission. The direction that EFAST is suggesting is too drastic and will hurt the sponsors of small pension plans. More consideration must be given to the revised system.

Thank you for this opportunity to comment.

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