

Line 8h. Enter the total of all benefits paid or due reported on lines 8d and 8e and all other plan expenses reported on lines 8f and 8g during the year.

Line 8i. Subtract line 8h from line 8c.

Line 8j. Enter the net value of all assets transferred to and from the plan during the plan year including those resulting from mergers and spinoffs. A transfer of assets or liabilities occurs when there is a reduction of assets or liabilities with respect to one plan and the receipt of these assets or the assumption of these liabilities by another plan. Transfers out at the end of the year should be reported as occurring during the plan year.

Note. A distribution of all or part of an individual participant's account balance that is reportable on Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., should not be included on line 8j but must be included in benefit payments reported on line 8d. Do not submit IRS Form 1099-R with the Form 5500-SF.

Part IV – Plan Characteristics

Line 9 - Benefits Provided Under the Plan. In the boxes for line 9a and 9b, as appropriate, enter all applicable plan characteristics codes from the List of Plan Characteristics Codes on pages 20 and 21 that describe the characteristics of the plan being reported.

Note. In the case of an eligible combined plan under Code section 414(x) and ERISA section 210(e), the codes entered in line 9a must include any codes applicable for either the defined benefit pension features or the defined contribution pension features of the plan.



For plan sponsors of Puerto Rico plans, enter characteristic code 3C only if:

- i. Only Puerto Rico residents participate,*
- ii. The trust is exempt from income tax under the laws of Puerto Rico, and*
- iii. The plan administrator has not made the election under section 1022(j)(2), and, therefore, the plan is not intended to qualify under section 401(a) of the Internal Revenue Code (U.S).*

Part V – Compliance Questions

Line 10. Answer all lines either “Yes” or “No.” Do not leave any answer blank unless otherwise directed. For lines 10a, b, c, d, e, f, g, and j, if the answer is “Yes,” an amount must be entered.

Note. “One-participant plans” should complete only question 10g.

Line 10a. Amounts paid by a participant or beneficiary to an employer and/or withheld by an employer for contribution to the plan are participant contributions that become plan assets as of the earliest date on which such contributions can reasonably be segregated from the employer's general assets. See 29 CFR 2510.3-102. In the case of a plan with fewer than 100 participants at the beginning of the plan year, any amount deposited with such plan not later than the 7th business day following the day on which such amount is received by the employer (in the case of amounts that a participant or beneficiary pays to an employer), or the 7th business day following the day on which such amount would otherwise have been payable to the participant in cash (in the case of amounts withheld by an employer from a participant's wages), shall

be deemed to be contributed or repaid to such plan on the earliest date on which such contributions or participant loan repayments can reasonably be segregated from the employer's general assets. See 29 CFR 2510.3-102(a)(2). Plans that check “Yes,” must enter the aggregate amount of all late contributions for the year. The total amount of the delinquent contributions must be included on line 10a for the year in which the contributions were delinquent and must be carried over and reported again on line 10a for each subsequent year (or on line 4a of Schedule H or I of the Form 5500 if not eligible to file the Form 5500-SF in the subsequent year) until the year after the violation has been fully corrected by payment of the late contributions and reimbursement of the plan for lost earnings or profits. If no participant contributions were received or withheld by the employer during the plan year, answer “No.”

An employer holding participant contributions commingled with its general assets after the earliest date on which such contributions can reasonably be segregated from the employer's general assets will have engaged in a prohibited use of plan assets (see ERISA section 406). If such a nonexempt prohibited transaction occurred with respect to a disqualified person (see Code section 4975(e)(2)), file IRS Form 5330, Return of Excise Taxes Related to Employee Benefit Plans, with the IRS to pay any applicable excise tax on the transaction.

Participant loan repayments paid to and/or withheld by an employer for purposes of transmittal to the plan that were not transmitted to the plan in a timely fashion must be reported either on line 10a in accordance with the reporting requirements that apply to delinquent participant contributions or on line 10b. See Advisory Opinion 2002-02A, available at www.dol.gov/ebsa.

Applicants that satisfy both the DOL Voluntary Fiduciary Correction Program (VFCP) and the conditions of Prohibited Transaction Exemption (PTE) 2002-51 are eligible for immediate relief from payment of certain prohibited transaction excise taxes for certain corrected transactions, and are also relieved from the requirement to file the IRS Form 5330 with the IRS. For more information on how to apply under the VFCP, the specific transactions covered (which transactions include delinquent participant contributions to pension and welfare plans), and acceptable methods for correcting violations, see 71 Fed. Reg. 20261 (Apr. 19, 2006) and 71 Fed. Reg. 20135 (Apr. 19, 2006). All delinquent participant contributions must be reported on line 10a at least for the year in which they were delinquent even if violations have been fully corrected by the close of the plan year. Information about the VFCP is also available on the Internet at www.dol.gov/ebsa.

Line 10b. Plans that check “Yes” must enter the amount. Check “Yes” if any nonexempt transaction with a party-in-interest occurred. Do not check “Yes” with respect to transactions that are: (1) statutorily exempt under Part 4 of Title I of ERISA; (2) administratively exempt under ERISA section 408(a); (3) exempt under Code sections 4975(c) or 4975(d); (4) the holding of participant contributions in the employer's general assets for a welfare plan that meets the conditions of ERISA Technical Release 92-01; or (5) delinquent participant contributions or delinquent loan repayments reported on line 10a. You may indicate that an application for an administrative exemption is pending. If you are unsure whether a transaction is exempt or not, you should consult either with a qualified public accountant, legal counsel, or both. If the plan is a

qualified pension plan and a nonexempt prohibited transaction occurred with respect to a disqualified person, an IRS Form 5330 is required to be filed with the IRS to pay the excise tax on the transaction.

Nonexempt transactions. Nonexempt transactions with a party-in-interest include any direct or indirect:

- A. Sale or exchange, or lease, of any property between the plan and a party-in-interest.
- B. Lending of money or other extension of credit between the plan and a party-in-interest.
- C. Furnishing of goods, services, or facilities between the plan and a party-in-interest.
- D. Transfer to, or use by or for the benefit of, a party-in-interest, of any income or assets of the plan.
- E. Acquisition, on behalf of the plan, of any employer security or employer real property in violation of ERISA section 407(a).
- F. Dealing with the assets of the plan for a fiduciary's own interest or own account.
- G. Acting in a fiduciary's individual or any other capacity in any transaction involving the plan on behalf of a party (or represent a party) whose interests are adverse to the interests of the plan or the interests of its participants or beneficiaries.
- H. Receipt of any consideration for his or her own personal account by a party-in-interest who is a fiduciary from any party dealing with the plan in connection with a transaction involving the income or assets of the plan.

Party-in-Interest. For purposes of this form, party-in-interest is deemed to include a disqualified person. See Code section 4975(e)(2). The term "party-in-interest" means, as to an employee benefit plan:

- A. Any fiduciary (including, but not limited to, any administrator, officer, trustee, or custodian), counsel, or employee of the plan;
- B. A person providing services to the plan;
- C. An employer, any of whose employees are covered by the plan;
- D. An employee organization, any of whose members are covered by the plan;
- E. An owner, direct or indirect, of 50% or more of:
 - 1. the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of a corporation;
 - 2. the capital interest or the profits interest of a partnership; or
 - 3. the beneficial interest of a trust or unincorporated enterprise which is an employer or an employee organization described in C or D;
- F. A relative of any individual described in A, B, C, or E;
- G. A corporation, partnership, or trust or estate of which (or in which) 50% or more of:
 - 1. the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of such corporation,
 - 2. the capital interest or profits interest of such partnership, or
 - 3. the beneficial interest of such trust or estate, is owned directly or indirectly, or held by persons described in A, B, C, D, or E;
- H. An employee, officer, director (or an individual having powers or responsibilities similar to those of

officers or directors), or a 10% or more shareholder directly or indirectly, of a person described in B, C, D, E, or G, or of the employee benefit plan; or I. A 10% or more (directly or indirectly in capital or profits) partner or joint venture of a person described in B, C, D, E, or G.



Applicants that satisfy the VFCP requirements and the conditions of PTE 2002-51 (see the instructions for line 10a) are eligible for immediate relief from payment of certain prohibited transaction excise taxes for certain corrected transactions and the requirement to file the Form 5330 with the IRS. For more information, see 71 Fed. Reg. 20261 (Apr. 19, 2006) and 71 Fed. Reg. 20135 (Apr. 19, 2006). When the conditions of PTE 2002-51 have been satisfied, the corrected transactions should be treated as exempt under Code section 4975(c) for the purposes of answering line 10b.

Line 10c. Plans that check "Yes" must enter the aggregate amount of fidelity bond coverage for all claims. Check "Yes" only if the plan itself (as opposed to the plan sponsor or administrator) is a named insured under a fidelity bond that is from an approved surety covering plan officials and that protects the plan from losses due to fraud or dishonesty as described in 29 CFR Part 2580. Generally, every plan official of an employee benefit plan who "handles" funds or other property of such plan must be bonded. Generally, a person shall be deemed to be "handling" funds or other property of a plan, so as to require bonding, whenever his or her duties or activities with respect to given funds are such that there is a risk that such funds could be lost in the event of fraud or dishonesty on the part of such person, acting either alone or in collusion with others. Section 412 of ERISA and 29 CFR Part 2580 describe the bonding requirements, including the definition of "handling" (29 CFR 2580.412-6), the permissible forms of bonds (29 CFR 2580.412-10), the amount of the bond (29 CFR Part 2580, Subpart C), and certain exemptions such as the exemption for unfunded plans, certain banks and insurance companies (ERISA section 412), and the exemption allowing plan officials to purchase bonds from surety companies authorized by the Secretary of the Treasury as acceptable reinsurers on federal bonds (29 CFR 2580.412-23). Information concerning the list of approved sureties and reinsurers is available on the Internet at www.fms.treas.gov/c570. For more information on the fidelity bonding requirements, see Field Assistance Bulletin 2008-04, available at www.dol.gov/ebsa.

Note. Plans are permitted under certain conditions to purchase fiduciary liability insurance. These fiduciary liability insurance policies are not written specifically to protect the plan from losses due to dishonest acts and cannot be reported as fidelity bonds on line 10c.

Line 10d. Check "Yes" if the plan had suffered or discovered any loss as a result of any dishonest or fraudulent act(s) even if the loss was reimbursed by the plan's fidelity bond or from any other source. If "Yes" is checked enter the full amount of the loss. If the full amount of the loss has not yet been determined, provide an estimate as determined in good faith by a plan fiduciary. You must keep, in accordance with ERISA section 107, records showing how the estimate was determined.



Willful failure to report is a criminal offense. See ERISA section 501.

Line 10e. If any benefits under the plan are provided by an insurance company, insurance service, or other similar organization (such as Blue Cross Blue Shield or a health maintenance organization) or if the plan has investments with insurance companies such as guaranteed investment contracts (GICs), report the total of all insurance fees and commissions paid to agents, brokers and/or other persons directly or indirectly attributable to the contract(s) placed with or retained by the plan.

For purposes of line 10e, commissions and fees include sales or base commissions and all other monetary and non-monetary forms of compensation where the broker's, agent's, or other person's eligibility for the payment or the amount of the payment is based, in whole or in part, on the value (e.g., policy amounts, premiums) of contracts or policies (or classes thereof) placed with or retained by an ERISA plan, including, for example, persistency and profitability bonuses. The amount (or pro rata share of the total) of such commissions or fees attributable to the contract or policy placed with or retained by the plan must be reported. Insurers must provide plan administrators with a proportionate allocation of commissions and fees attributable to each contract. Any reasonable method of allocating commissions and fees to policies or contracts is acceptable, provided the method is disclosed to the plan administrator. A reasonable allocation method could allocate fees and commissions based on a calendar year calculation even if the plan year or policy year was not a calendar year. For additional information on these reporting requirements, see ERISA Advisory opinion 2005-02A, available on the Internet at www.dol.gov/ebsa.

Where benefits under a plan are purchased from and guaranteed by an insurance company, insurance service, or other similar organization, and the total fees and commissions are reported on the Form 5500-SF, payments of reasonable monetary compensation by the insurer out of its general assets to affiliates or third parties for performing administrative activities necessary for the insurer to fulfill its contractual obligation to provide benefits, where there is no direct or indirect charge to the plan for administrative services other than the insurance premium, then the payments for administrative services by the insurer to the affiliates or third parties do not need to be reported on line 10e. This would include compensation for services such as recordkeeping and claims processing services provided by a third party pursuant to a contract with the insurer to provide those services but would not include compensation provided by the insurer incidental to the sale or renewal of a policy, such as finders' fees, insurance brokerage commissions and fees, or similar fees.

Reporting also is not required for compensation paid by the insurer to a "general agent" or "manager" for that general agent's or manager's management of an agency or performance of administrative functions for the insurer. For this purpose, (1) a "general agent" or "manager" does not include brokers representing insureds, and (2) payments would not be treated as paid for managing an agency or performance of administrative functions where the recipient's eligibility for the payment or the amount of

the payment is dependent or based on the value (e.g., policy amounts, premiums) of contracts or policies (or classes thereof) placed with or retained by ERISA plan(s).

Reporting is not required for occasional gifts or meals of insubstantial value which are tax deductible for federal income tax purposes by the person providing the gift or meal and would not be taxable income to the recipient. For this exemption to be available, the gift or gratuity must be both occasional and insubstantial. For this exemption to apply, the gift must be valued at less than \$50, the aggregate value of gifts from one source in a calendar year must be less than \$100, but gifts with a value of less than \$10 do not need to be counted toward the \$100 annual limit. If the \$100 aggregate value limit is exceeded, then the aggregate value of all the gifts will be reportable. For this purpose, non-monetary gifts of less than \$10 also do not need to be included in calculating the aggregate value of all gifts required to be reported if the \$100 limit is exceeded.

Gifts from multiple employees of one service provider should be treated as originating from a single source when calculating whether the \$100 threshold applies. On the other hand, in applying the threshold to an occasional gift received from one source by multiple employees of a single service provider, the amount received by each employee should be separately determined in applying the \$50 and \$100 thresholds. For example, if six employees of a broker attend a business conference put on by an insurer designed to educate and explain the insurer's products for employee benefit plans, and the insurer provides, at no cost to the attendees, refreshments valued at \$20 per individual, the gratuities would not be reportable on this line even though the total cost of the refreshments for all the employees would be \$120.

These thresholds are for purposes of line 10e reporting. Filers are cautioned that the payment or receipt of gifts and gratuities of any amount by plan fiduciaries may violate ERISA and give rise to civil liabilities and criminal penalties.

Important Reminder. The insurance company, insurance service, or other similar organization is required under ERISA section 103(a)(2) to provide the plan administrator with the information needed to complete this return/report. Your insurance company must provide you with the information you need to answer this question. If your insurance company, insurance service, or other similar organization does not automatically send you this information, you should make a written request for the information. If you have difficulty getting the information from your insurance company, contact the nearest office of the DOL's Employee Benefits Security Administration.

Line 10f. You must check "Yes" if any benefits due under the plan were not timely paid or not paid in full. Include in this amount the total of any outstanding amounts that were not paid when due in previous years that have continued to remain unpaid.

Line 10g. You must check "Yes" if the plan had any participant loans outstanding at any time during the plan year and enter the amount outstanding as of the end of the plan year. If no participant loans are outstanding as of the end of the plan year, enter "0".

Line 10h. Code section 401(k) and other individual account pension plans must complete line 10h. Other filers should leave line 10h blank. Check "Yes" if there was a "blackout period." A blackout period is a temporary

suspension of more than three consecutive business days during which participants or beneficiaries of a 401(k) or other individual account pension plan were unable, or were limited or restricted in their ability, to direct or diversify assets credited to their accounts, obtain loans from the plan, or obtain distributions from the plan. A “blackout period” generally does not include a temporary suspension of the right of participants and beneficiaries to direct or diversify assets credited to their accounts, obtain loans from the plan, or obtain distributions from the plan if the temporary suspension is: (1) part of the regularly scheduled operations of the plan that has been disclosed to participants and beneficiaries; (2) due to a qualified domestic relations order (QDRO) or because of a pending determination as to whether a domestic relations order is a QDRO; (3) due to an action or a failure to take action by an individual participant or because of an action or claim by someone other than the plan regarding a participant’s individual account; or (4) by application of federal securities laws. For more information, see the DOL’s regulation at 29 CFR 2520.101-3 (available at www.dol.gov/ebsa).

Line 10i. Code section 401(k) and other individual account pension plans who answered “Yes” to line 10h must complete line 10i. Other filers should leave line 10i blank. If there was a blackout period, did you provide the required notice not less than 30 days nor more than 60 days in advance of restricting the rights of participants and beneficiaries to change their plan investments, obtain loans from the plan, or obtain distributions from the plan? If so, check “Yes.” See 29 CFR 2520.101-3 for specific notice requirements and for exceptions from the notice requirement. Also, answer “Yes” if one of the exceptions to the notice requirement under 29 CFR 2520.101-3 applies.

Part VI – Pension Funding Compliance

Complete Part VI only if the plan is subject to the minimum funding requirements of Code section 412 or ERISA section 302.

All qualified defined benefit and defined contribution plans are subject to the minimum funding requirements of Code section 412 unless they are described in the exceptions listed under Code section 412(e)(2). These exceptions include profit-sharing or stock bonus plans, insurance contract plans described in Code section 412(e)(3), and certain plans to which no employer contributions are made.

Nonqualified employee pension benefit plans are subject to the minimum funding requirements of ERISA section 302 unless specifically exempted under ERISA sections 4(a) or 301(a).

The employer or plan administrator of a single-employer or multiple-employer defined benefit plan that is subject to the minimum funding requirements must file the Schedule SB (Form 5500) as an attachment to the Form 5500-SF. The employer or plan administrator of a money purchase plan that is currently amortizing a waiver of the minimum funding requirements must complete lines 3, 9, and 10 of the Schedule MB (Form 5500) and file it as an attachment to the Form 5500-SF.

Line 11. If “Yes” is checked, attach a completed and signed Schedule SB (Form 5500), and complete line 11a. See the instructions for the Schedule SB in the Instructions for Form 5500. If this is a defined contribution pension plan, leave blank.

Line 11a. Enter the amount from line 40 of Schedule SB (Form 5500).

Line 12. Check the “Yes” box if the plan is a defined contribution plan subject to the minimum funding requirements of Code section 412 and ERISA section 302. Those money purchase plans (including target benefit plans) that are amortizing a waiver of the minimum funding standard for a prior year should fill out line 12a and then skip to line 13. Those defined contribution plans answering “Yes” to the line 12 question that do not fill out line 12a should fill out lines 12b-12e.

Line 12a. If a money purchase defined contribution plan (including a target benefit plan) has received a waiver of the minimum funding standard, and the waiver is currently being amortized, complete lines 3, 9, and 10 of Schedule MB (Form 5500). See instructions for Schedule MB in the Instructions for Form 5500. The Schedule MB for a money purchase defined contribution plan does not need to be signed by an enrolled actuary.

Line 12b. The minimum required contribution for a money purchase defined contribution plan (including a target benefit plan) for a plan year is the amount required to be contributed for the year under the formula set forth in the plan document. If there is an accumulated funding deficiency for a prior year that has not been waived, that amount should also be included as part of the contribution required for the current year.

Line 12c. Include all contributions for the plan year made not later than 8 ½ months after the end of the plan year. Show only contributions actually made to the plan by the date the form is filed. For example, do not include receivable contributions for this purpose.

Line 12d. If the minimum required contribution exceeds the contributions for the plan year made not later than 8 ½ months after the end of the plan year, the excess is an accumulated funding deficiency for the plan year. File IRS Form 5330, Return of Excise Taxes Related to Employee Benefit Plans, with the IRS to pay the excise tax on the deficiency. There is a penalty for not filing Form 5330 on time.

Line 12e. Check “Yes” if the minimum required contribution remaining in line 12d will be made not later than 8 ½ months after the end of the plan year. If “Yes,” and contributions are actually made by this date, then there will be no reportable deficiency and IRS Form 5330 will not need to be filed.

Part VII – Plan Terminations and Transfers of Assets

Line 13a. Check “Yes” if a resolution to terminate the plan was adopted during this or any prior plan year, unless the termination was revoked and no assets reverted to the employer. If “Yes” is checked, enter the amount of plan assets that reverted to the employer during the plan year in connection with the implementation of such termination. Enter “0” if no reversion occurred during the current plan year.



A Form 5500 or a Form 5500-SF must be filed for each year the plan has assets, and, for a welfare benefit plan, if the plan is still liable to pay benefits for claims incurred before the termination date, but not yet paid. See 29 CFR 2520.104b-2(g)(2)(ii).

Line 13b. Check “Yes” if all of the plan assets (including insurance/annuity contracts) were distributed to the