

# Details of the SECURE Act: Consolidated Form 5500 Filing for Related Plans



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# ***SECURE Act: Consolidated Form 5500 Filing for Related Plans***

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In late December of 2019 President Trump signed into law a budget bill to fund the government for the remainder of the fiscal year. Included as an addition to the bill was the SECURE Act (Setting Every Community Up for Retirement Enhancement Act of 2019). Some of the changes within the SECURE ACT impacted the Form 5500 filing.

## ***Section 202 of the Act revised Form 5500 rules to allow related employers to file a consolidated Form 5500.***

Prior to the SECURE ACT, each qualified retirement plan that was covered by ERISA was required to file their own an annual Form 5500 and Audit if the plan had over 100 eligible participants.

Effective for tax years beginning after December 31, 2021, the SECURE ACT allows multiple plans that are considered related, to file a single Form 5500. In order for plans to be considered related they have to the same trustee, plan administrator, plan year, virtually identical plan design and investments or investment options. It also directed the agencies responsible for the Form 5500 to modify the Form 5500 rules and instructions to permit the consolidated Form 5500 for all plans in the related group.

Author comments: Interestingly, the law did not require the plan sponsors to be related or affiliated in order to take advantage of this rule. Nor does it change the rules that require each plan to receive its own separate audit for Form 5500 compliance purposes. This rule will be beneficial to multiple plans within a controlled group that uses a master trust that give several plans access to the same investments in order to take advantage of lower service and investment costs.



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