

IRS Form 8955-SSA Reporting Requirements for Terminated Participants

The IRS has revised IRS Form SSA for reporting terminated participants who maintain an account balance in certain retirement plans. Please read below for important information on reporting requirements for 2009 and 2010 plan years.

Prior to 2009, most qualified retirement plans were required to report to the IRS, information regarding terminated plan participants who continued to maintain an account in the plan. The plan also had the responsibility to report to the IRS any previously reported terminated participant who subsequently withdrew their money from the plan. Terminated participants were reported on IRS Form SSA, which was generally filed with the plan's Form 5500 for the plan year. The IRS required the Plan Administrator to provide the social security number of any individual being reported on IRS Form SSA.

Beginning with the 2009 plan year the Department of Labor began a mandatory electronic filing requirement for most Form 5500 filings. The electronic filing allows the DOL to post the plan's Form 5500 to the internet via the DOL's EFAST website, almost immediately upon receipt. For privacy concerns it was no longer feasible to include IRS Form SSA with the plan's Form 5500 filing.

The IRS has revised the old Form SSA and published the new form as IRS Form 8955-SSA. Individuals required to be reported for the 2009 and 2010 plan years must be reported using the revised form. Due to the length of time the IRS needed to revise the form and instructions for filing, the IRS has provided special filing instructions for the 2009 and 2010 plan years.

For example, if the plan has participants to report for both the 2009 and 2010 plan years, all participants can be reported using one 2009 form, thus negating the need for two filings. Additionally, the normal filing deadline of the last day of the seventh month following the last day of the plan year, has been extended to a special filing deadline for the 2009 and 2010 forms.

The filing deadline for the 2009 and 2010 Form 8955-SSA is the later of January 17, 2012, and the due date that generally applied for filing the Form 8955-SSA for the 2010 plan year.

In addition to the filing requirement, the plan sponsor must provide a notice to each participant that is listed on IRS Form 8955-SSA as having a benefit in the plan. The notice must be delivered to the participant no later than the due date for filing the Form 8955-SSA that lists the participant.

Over the course of the next several months, Trombino Pension Administrators, Inc. will be reviewing the reporting requirement for all of our client's plans. If, based on the census information that has been provided to us, we determine that a filing is required for one or both plan years we will prepare the IRS Form 8955-SSA and send to the plan sponsor with instructions for filing with the IRS. We will also include the participant notice for the plan sponsor to provide to the reported participants.

Failure to file timely or provide notice to the participants can result in significant monetary penalties assessed by the IRS.

Please be certain to contact our office if you would like more information regarding the IRS Form 8955-SSA.