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**Sent:** Wednesday, January 10, 2007 3:40 PM  
**To:** EBSA, E-ORI - EBSA  
**Subject:** Comments on Supplemental Form 5500 Revision

January 10, 2007

Office of Regulations & Interpretations  
Employee Benefits Security Administration  
Room N-5669  
U.S. Department of Labor  
200 Constitution Avenue NW  
Washington, D.C. 20210  
Attn: Supplemental Form 5500 Revision

RE Comments on Supplemental Form 5500 Revision

Dear Sir or Madam:

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This is in response to the request for comments on the Employee Benefits Security Administration's proposal on the Supplemental Form 5500 Revision. We appreciate the opportunity to provide comments and input on the changes under consideration.

## **Comments**

### **Additional Schedule R Questions**

Proposed regulations indicate that assets for large defined benefit plans (1,000 or more participants) are required to report the percentage of total assets held in Stocks; Debt (broken out by government, investment grade, and high yield debt); Real Estate; and Other, as well as provide a Macaulay duration of aggregate debt investments. This is not information that is readily available, nor is the breakdown of the underlying investment options that is required. Some plans may have this information available from their 10-k filing, but not all plans are required to file a 10-k filing or the 10-k filing may not cover the same time frame. For the majority of plans, this information is not currently being collected and would require major changes to begin doing so. The scope of this change is huge and will require significant lead time to accomplish. With the Electronic Filing mandated for 2008, the significant Form 5500 changes, and the fact that this is not mandated by the PPA, we'd like to see the effective date of this moved back.

### **Simplified Annual Reporting for Plans With Under 25 Lives**

The Short Form that has been proposed for plans with fewer than 100 participants for the 2008 Form 5500 will satisfy the PPA requirements for the Simplified Annual Reporting for Plans With Under 25 Lives for their 2007 Form 5500.

Rather than create and update a Short Form two years in a row, we suggest

- mandating the 2007 Short Form (as required by PPA) be filed electronically
- use the 2008 Short Form specifications for the 2007 plan year filings

This will

- eliminate the need to create a paper Short Form
- reduce programming changes needed by software developers and the EFAST Processing Center
- increase understanding for filers due to consistency in the form from 2007 to 2008
- for filers who choose to file the Short Form in 2007, this will increase their comfort level with the electronic filing process in preparation for the 2008 mandate

Thank you for the opportunity to provide comments on the Supplemental Form 5500 Revision. If you would like to discuss any of these comments, or seek additional input from the perspective of a volume preparer of Form 5500 Annual Reports, please contact Barb Flowers at (515) 248-2581 or e-mail her at [flowers.barb@principal.com](mailto:flowers.barb@principal.com).

Sincerely,

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