

# 1997

## Instructions for Form 5500-C/R

### Annual Return/Report of Employee Benefit Plan (With fewer than 100 participants)

Code references are to the Internal Revenue Code. ERISA refers to the Employee Retirement Income Security Act of 1974.

**Paperwork Reduction Act Notice** We ask for the information on this form to carry out the law as specified in ERISA and Code sections 6039D, 6047(e), 6057(b), and 6058(a). You are required to give us the information. We need it to determine whether the plan is operating according to the law.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books and records relating to a form or its instructions must be retained as long as their contents may become material in the administration of the Internal Revenue Code or are required to be maintained pursuant to Title I or IV of ERISA. Generally, the Form 5500 return/reports are open to public inspection. However, Schedules E, F, and SSA (Form 5500) are confidential, as required by Code section 6103.

The time needed to complete and file the forms listed below reflects the combined requirements of the Internal Revenue Service, Department of Labor, Pension Benefit Guaranty Corporation, and the Social Security Administration. These times will vary depending on individual circumstances. The estimated average times are:

	Recordkeeping	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to the IRS
Form 5500-C (initial filers)	55 hr., 14 min.	7 hr., 47 min.	10 hr., 53 min.	32 min.
Form 5500-C (all other filers)	45 hr., 41 min.	7 hr., 47 min.	10 hr., 44 min.	32 min.
Form 5500-R (initial filers)	22 hr., 29 min.	4 hr., 13 min.	6 hr., 38 min.	32 min.
Form 5500-R (all other filers)	12 hr., 40 min.	4 hr., 13 min.	6 hr., 28 min.	32 min.
Schedule A (Form 5500)	17 hr., 28 min.	28 min.	1 hr., 42 min.	16 min.
Schedule B (Form 5500) Part 1	30 hr., 37 min.	3 hr., 16 min.	3 hr., 55 min.	-----
Schedule B (Form 5500) Part 2	16 hr., 1 min.	1 hr., 23 min.	1 hr., 43 min.	-----
Schedule E (Form 5500) (nonleveraged ESOP)	1 hr., 12 min.	12 min.	13 min.	-----
Schedule E (Form 5500) (leveraged ESOP)	10 hr., 2 min.	1 hr., 41 min.	1 hr., 56 min.	-----
Schedule F (Form 5500)	2 hr., 52 min.	24 min.	28 min.	-----
Schedule G (Form 5500)	15 hr., 4 min.	6 min.	21 min.	-----
Schedule P (Form 5500)	1 hr., 55 min.	30 min.	33 min.	-----
Schedule SSA (Form 5500)	5 hr., 30 min.	6 min.	11 min.	-----

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send any of these forms or schedules to this address. Instead, see **Where To File** on page 3.

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#### Changes To Note for 1997

- Under the Taxpayer Relief Act of 1997, effective August 5, 1997, administrators of pension and welfare benefit plans no longer have to file with the Department of Labor copies of summary plan descriptions (SPDs), summaries of material modifications (SMMs), or updated SPDs that they distribute to plan participants and beneficiaries. Form 5500-C, line 8e, and Form 5500-R, line 11e, have been modified to reflect these changes, along with the associated instructions.
- In addition, the Taxpayer Relief Act of 1997 increased the dollar limit on the accrued benefit distributable without consent, under Code section 411(a)(11)(A), from \$3,500 to \$5,000 for plan years beginning on or after August 5, 1997.
- The Small Business Job Protection Act (SBJPA) amended the definition of a "highly compensated employee". See Code section 414(q) and Notice 97-45, 1997-33 I.R.B. 7.
- In addition, SBJPA eliminated the "family aggregation rules" for years beginning after 1996. See Code section 414(q).

## How To Get Forms and Publications

**A personal computer.**— Visit the IRS's Internet Web Site at [www.irs.ustreas.gov](http://www.irs.ustreas.gov) to get:

- Forms and instructions
  - Publications
  - IRS press releases and fact sheets
- You can also reach us using:
- Telnet at [Iris.irs.ustreas.gov](http://Iris.irs.ustreas.gov)
  - File Transfer Protocol at [ftp.irs.ustreas.gov](http://ftp.irs.ustreas.gov)
  - Direct Dial (by modem) — Dial direct to the Internal Revenue Information Services (IRIS) by calling **703-321-8020** using your modem. IRS is an on-line information service on FedWorld.

**CD-ROM.**— A CD-ROM containing over 2,000 tax products (including many prior year forms) can be purchased from the Government Printing Office (GPO). To order the CD-ROM, call the Superintendent of Documents at **202-512-1800** or go through GPO's Internet Web Site: ([www.access.gpo.gov/su\\_docs](http://www.access.gpo.gov/su_docs)).

**By phone and in person.**— To order forms and publications, call 1-800-TAX-FORM (1-800-829-3676) between 7:30 a.m. and 5:30 p.m. on weekdays. You can also get most forms and publications at your local IRS office.

## General Instructions

### Section 1

#### Plan Year

File 1997 forms for plan years that started in 1997. If the plan year differs from the calendar year, fill in the fiscal year space just under the form title. For a short plan year, check box A(4) and see **When To File** on this page.

#### Electronic Filing of Form 5500-C/R

Form 5500-C/R and the related schedules can be filed via magnetic media (magnetic tapes, floppy diskettes) or electronically. If the plan administrator files the return/report electronically or on magnetic media, he or she must also file **Form 8453-E**, Employee Benefit Plan Declaration and Signature for Electronic/Magnetic Media Filing. This is the declaration and signature form for the electronic/magnetic media return. For more information, get **Pub. 1507**, Procedures for Electronic/Magnetic Media Filing of Forms 5500, 5500-C/R, and 5500-EZ for Plan Year 1997.

#### Reminders

- Many filers receive rejection notices by making several common mistakes that can be avoided as discussed in **Avoid Common Mistakes** below. The return/report will also be considered incomplete and penalties may be assessed if information required on a schedule is not typed or printed on the appropriate schedule, such as the Schedule A (Form 5500). See the instructions for **Schedules** on page 6. Generally, a return/report must be filed for employee welfare benefit plans that provide benefits wholly or partially through a Multiple Employer Welfare Arrangement (MEWA) as defined in ERISA section 3(40), unless otherwise exempt (see page 3).
- In addition to filing this form with the IRS, plans covered by the Pension Benefit Guaranty Corporation (PBGC) termination insurance program must file their Annual Premium Payment, PBGC Form 1, directly with that agency.

## Avoid Common Mistakes

Filers make several common mistakes. To reduce the possibility of correspondence and penalties, we remind filers to:

- Enter only one code on line 4.
- Enter all applicable codes and check all applicable boxes on lines 6a through 6d, page 1 of Form 5500-C/R.

If you must complete lines 9, 14, and 15 of page 2, Form 5500-R:

1. You must answer "Yes" or "No" on line 9.
  2. You must enter net income or (loss) on line 14. (Line 14a minus line 14b equals line 14c.)
  3. You must enter the name of the surety company on line 15b if you checked the "Yes" box on line 15a.
- Please enter the appropriate code on lines 11 and 12 of Form 5500-C. See page 13 of the instructions for the proper codes.
  - You must enter the name of the surety company on line 26b if you checked the "Yes" box on line 26a of Form 5500-C.

## Penalties

ERISA and the Code provide for the assessment or imposition of penalties for not giving complete information and not filing statements and return/reports. Certain penalties are administrative (i.e., they may be imposed or assessed by one of the governmental agencies delegated to administer the collection of Form 5500 series data). Others require a legal conviction.

### Administrative Penalties

Listed below are various penalties for not meeting the Form 5500 series filing requirements. One or more of the following five penalties may be imposed or assessed in the event of incomplete filings or filings received after the due date unless it is determined that your explanation for failure to file properly is for reasonable cause:

1. A penalty of up to \$1,000 a day for each day a plan administrator fails or refuses to file a complete return/report. See ERISA section 502(c)(2) and 29 CFR 2560.502c-2.
2. A penalty of \$25 a day (up to \$15,000) for not filing returns for certain plans of deferred compensation, certain trusts and annuities, and bond purchase plans by the due date(s). See Code section 6652(e). This penalty also applies to returns required to be filed under Code section 6039D.
3. A penalty of \$1 a day (up to \$5,000) for each participant for whom a registration statement (Schedule SSA (Form 5500)) is required but not filed. See Code section 6652(d)(1).
4. A penalty of \$1 a day (up to \$1,000) for not filing a notification of change of status of a plan. See Code section 6652(d)(2).
5. A penalty of \$1,000 for not filing an actuarial statement. See Code section 6692.

### Other Penalties

1. Any individual who willfully violates any provision of Part 1 of Title I of ERISA shall be fined not more than \$5,000 or imprisoned not more than 1 year, or both. See ERISA section 501.
2. A penalty of up to \$10,000, 5 years imprisonment, or both, may be imposed for making any false statement or representation of fact, knowing it to be false, or for knowingly concealing or not disclosing any fact required by ERISA. See section 1027, Title 18, U.S. Code, as amended by section 111 of ERISA.

## Who Must File

Any administrator or sponsor of an employee benefit plan subject to ERISA must file information about each such plan **every year** (Code section 6058 and ERISA sections 104 and 4065). Every employer maintaining a specified fringe benefit plan as described in Code section 6039D (except Code sections 79, 105, 106, 120, 129 and 137 plans) is **also** required to file each year. The Internal Revenue Service (IRS), Department of Labor (DOL), and Pension Benefit Guaranty Corporation (PBGC) have consolidated their returns and report forms to minimize the filing burden for plan administrators and employers. The chart on page 5 gives a brief guide to the type of return/report to be filed.

## When To File

File all required forms and schedules by the last day of the 7th month after the plan year ends. For a short plan year, file the form and applicable schedules by the last day of the 7th month after the short plan year ends. For purposes of this return/report, the short plan year ends on the date of the change in accounting period or upon the complete distribution of the assets of the plan. (Also see **Section 3**.) If the current year Form 5500-C/R is not available before the due date of your short plan year return/report, use the latest year form available and change the date printed on the return/report to the current year. Also show the dates your short plan year began and ended.

## Private Delivery Services

You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. The IRS publishes a list of the designated private delivery services in September of each year. The list published in September 1997 includes only the following:

- Airborne Express (Airborne): Overnight Air Express Service, Next Afternoon Service, Second Day Service.
- DHL Worldwide Express (DHL): DHL "Same Day" Service, DHL USA Overnight.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M.

The private delivery service can tell you how to get written proof of the mailing date.

## Extension of Time To File

A one-time extension of time to file (up to 2½ months) may be granted for filing return/reports if **Form 5558**, Application for Extension of Time To File Certain Employee Plan Returns, is filed **before the normal due date (not including any extensions) of the return/report**.

**Exception.** Plans are automatically granted extensions of time to file Form 5500-C/R until the due date of the Federal income tax return of the employer if all the following conditions are met: (1) The plan year and the employer's tax year are the same; (2) The employer has been granted an extension of time to file its Federal income tax return to a date later than the normal due date for filing the Form 5500-C/R; (3) A copy of the IRS extension of time to file the Federal income tax return is attached to the Form 5500-C/R filed with the IRS. An extension granted by using this exception CANNOT be extended further by filing a Form 5558.

**Note:** An extension of time to file the return/report does not operate as an extension of time to file the PBGC Form 1.

## Where To File

File the return/report with the Internal Revenue Service Center indicated below. No street address is necessary.

See pages 6 and 7 for the filing address for investment arrangements filing directly with DOL.

If the principal office of the plan sponsor or the plan administrator is located in	Use the following Internal Revenue Service Center address
Connecticut, Delaware, District of Columbia, Foreign Address, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virginia	Holtsville, NY 00501-0020
Alabama, Alaska, Arkansas, California, Florida, Georgia, Hawaii, Idaho, Louisiana, Mississippi, Nevada, North Carolina, Oregon, South Carolina, Tennessee, Washington	Atlanta, GA 39901-0020
Arizona, Colorado, Indiana, Illinois, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, Texas, Utah, West Virginia, Wisconsin, Wyoming	Memphis, TN 37501-0020

## Section 2

### Kinds of Plans

Employee benefit plans include pension benefit plans and welfare benefit plans. File the applicable return/report for any of the following plans.

#### Pension Benefit Plan

This is an employee pension benefit plan covered by ERISA. The return/report is due whether or not the plan is qualified and even if benefits no longer accrue, contributions were not made this plan year, or contributions are no longer made ("frozen plan" or "wasting trust"). See **Final Return/Report** on page 7.

Pension benefit plans required to file include defined benefit plans and defined contribution plans (e.g., profit-sharing, stock bonus, money purchase plans, etc.). The following are among the pension benefit plans for which a return/report must be filed:

1. Annuity arrangements under Code section 403(b)(1).
2. Custodial accounts established under Code section 403(b)(7) for regulated investment company stock.
3. Individual retirement accounts (IRAs) established by an employer under Code section 408(c).
4. Pension benefit plans maintained outside the United States primarily for nonresident aliens if the employer who maintains the plan is:
  - a. A domestic employer, or
  - b. A foreign employer with income derived from sources within the United States (including foreign subsidiaries of domestic employers) if contributions to the plan are deducted on its U.S. income tax return. For this type of plan, enter code D on line 6c. See **Plans Excluded From Filing** on this page.
5. Church plans electing coverage under Code section 410(d).

6. A plan that covers residents of Puerto Rico, the Virgin Islands, Guam, Wake Island, or American Samoa. This includes a plan that elects to have the provisions of section 1022(i)(2) of ERISA apply.

7. Plans that satisfy the actual deferral percentage requirements of Code section 401(k)(3)(A)(ii) by adopting the "SIMPLE" provisions of section 401(k)(11).

See **Lines To Complete on Form 5500-C** and **Lines To Complete on Form 5500-R** on page 5 for more information about what questions must be completed by pension plans.

#### Fringe Benefit Plan

Cafeteria plans described in Code section 125 and educational assistance programs described in Code section 127 are considered fringe benefit plans and generally are required to file the annual information specified by Code section 6039D. However, Code section 127 educational assistance programs that provide only job-related training that is deductible under Code section 162 do not have to file Form 5500-C/R.

**Note:** A fringe benefit plan may be associated with one or more welfare plans as described below for which a Form 5500-C/R may be required to be filed.

See **Lines To Complete on Form 5500-C** and **Lines To Complete on Form 5500-R** on page 5 for more information about how to complete this form for a fringe benefit plan.

#### Welfare Benefit Plan

An employee welfare benefit plan is covered by Part 1 of Title I of ERISA. Welfare plans provide benefits such as medical, dental, life insurance, apprenticeship and training, scholarship funds, severance, disability, etc.

See **Lines To Complete on Form 5500-C** and **Lines To Complete on Form 5500-R** on page 5. It contains more information about what questions must be completed for welfare benefit plans.

#### Plans Excluded From Filing

These exemptions do not apply to a fringe benefit plan required to file to satisfy the requirements of Code section 6039D.

Do not file a return/report for an employee benefit plan that is any of the following:

1. A welfare benefit plan which covers fewer than 100 participants as of the beginning of the plan year and is unfunded, fully insured, or a combination of insured and unfunded.

a. An unfunded welfare benefit plan has its benefits paid as needed directly from the general assets of the employer or the employee organization that sponsors the plan.

**Note:** Plans which are NOT unfunded include those plans that received employee (or former employee) contributions during the plan year and/or used a trust or separately maintained fund (including a Code section 501(c)(9) trust) to hold plan assets or act as a conduit for the transfer of plan assets during the plan year.

b. A fully insured welfare benefit plan has its benefits provided exclusively through insurance contracts or policies, the premiums of which must be paid directly by the employer or employee organization from its general assets or partly from its general assets and partly from contributions by its employees or members (which the employer or organization forwards within 3 months of receipt).

The insurance contracts or policies discussed above must be issued by an insurance company or similar organization (such as Blue Cross, Blue Shield or a health maintenance organization) which is qualified to do business in any state.

c. A combination unfunded/insured welfare plan has its benefits provided partially as an unfunded plan and partially as a fully insured plan. An example of such a plan is a welfare plan which provides medical benefits as in a above and life insurance benefits as in b above.

See 29 CFR 2520.104-20 and the DOL Technical Release 92-01.

**Note:** An "employees' beneficiary association" as used in Code section 501(c)(9) should not be confused with the employee organization or employer that establishes and maintains (i.e., sponsors) the welfare benefit plan.

2. An unfunded pension benefit plan or an unfunded or insured welfare benefit plan: (a) whose benefits go only to a select group of management or highly compensated employees, and (b) which meets the terms of Department of Labor Regulations 29 CFR 2520.104-23 (including the requirement that a notification statement be filed with DOL) or 29 CFR 2520.104-24.

3. Plans maintained only to comply with workers' compensation, unemployment compensation, or disability insurance laws.

4. An unfunded excess benefit plan.

5. A welfare benefit plan maintained outside the United States primarily for persons substantially all of whom are nonresident aliens.

6. A pension benefit plan maintained outside the United States if it is a qualified foreign plan within the meaning of Code section 404A(e) that does not qualify for the treatment provided in Code section 402(e)(5).

7. An annuity arrangement described in 29 CFR 2510.3-2(f).

8. A simplified employee pension (SEP) described in Code section 408(k) that conforms to the alternative method of compliance described in 29 CFR 2520.104-48 or 29 CFR 104-49. A SEP is a pension plan that meets certain minimum qualifications regarding eligibility and employer contributions.

9. A Savings Incentive Match Plan for Employees of Small Employers (SIMPLE) that involves SIMPLE IRAs under Code section 408(p).

10. A church plan not electing coverage under Code section 410(d).

11. A governmental plan.

12. A welfare benefit plan that participates in a group insurance arrangement that files a return/report Form 5500 on its behalf. A group insurance arrangement is an arrangement that provides benefits to the employees of two or more unaffiliated employers (not in connection with a multiemployer plan or a multiple-employer collectively bargained plan), fully insures one or more welfare plans of each participating employer, and uses a trust (or other entity such as a trade association) as the holder of the insurance contracts and the conduit for payment of premiums to the insurance company. For further details, see 29 CFR 2520.104-43.

13. An apprenticeship or training plan meeting all of the conditions specified in 29 CFR 2520.104-22.

#### Kinds of Filers

The different types of plan entities that file the form are described below. (Also see instructions for line 4 on page 8.)

##### 1. Single-Employer Plan

If one employer or one employee organization maintains a plan, file a separate return/report for the plan. If the employer or employee organization maintains more than one such plan, file a separate return/report for each plan.

If a member of a controlled group of corporations, a group of trades or businesses under common control or an affiliated service group maintains a plan that does not involve other group members, file a separate return/report as a single-employer plan.

If several employers participate in a program of benefits in which the funds attributable to each employer are available only to pay benefits to that employer's employees, each employer must file a separate return/report.

## **2. Plan for Controlled Group of Corporations, Group of Trades or Businesses Under Common Control, or An Affiliated Service Group**

These groups are defined in Code sections 414(b), (c), and (m), and are referred to as controlled groups.

File one return/report for the plan. Complete line 21 once for all of the group's employees. If the funds under the plan attributable to each employer are available only to pay benefits to that employer's employees, each employer in the group must file a separate return/report as a single-employer plan.

**Note:** *If there are employers that participate in a plan of one of the groups listed above but those employers are not members of the group, the plan is considered a multiple-employer plan (other). See Multiple-Employer Plan (Other) below for more information.*

## **3. Multiemployer Plan**

A multiemployer plan is a plan (1) to which more than one employer is required to contribute, (2) that is maintained pursuant to one or more collective-bargaining agreements, and (3) has not made the election under Code section 414(f)(5) and ERISA section 3(37)(E). File one return/report for each plan. Contributing employers do not file individually for these plans. See Code section 414 for more information.

## **4. Multiple-Employer-Collectively Bargained Plan**

A multiple-employer-collectively bargained plan involves more than one employer, is collectively bargained and collectively funded, and, if covered by PBGC termination insurance, had properly elected before September 27, 1981, not to be treated as a multiemployer plan under Code section 414(f)(5) or ERISA sections 3(37)(E) and 4001(a)(3). File one return/report for each such plan. Participating employers do not file individually for these plans.

## **5. Multiple-Employer Plan (Other)**

A multiple-employer plan (other) involves more than one employer and is not one of the plans already described. File one return/report for each plan.

**Note:** *Each employer participating in a qualified defined contribution or defined benefit plan which is considered a multiple-employer plan (other) must file a Form 5500-C/R regardless of the number of participants. For the years you are required to file pages 1 and 3 through 6 as Form 5500-C, complete only lines 1 through 7a, 9, and 21. For the years you file pages 1 and 2 as Form 5500-R, complete only lines 1 through 7a, 8a, and 8b. Each participating employer filing the Form 5500-C/R must enter code F on line 4, and use an appropriate number (001, 002, etc.) on line 5c.*

**Note:** *If a participating employer is also the sponsor of the multiple-employer plan (other), the plan number on the return/report filed for the plan should be 333 and, if more than one plan, they should be consecutively numbered starting with 333.*

If more than one employer participates in the plan and the plan provides that each employer's contributions are available to pay benefits only for that employer's employees who are covered by the plan, one annual return/report must be filed for each participating employer. These filers will be considered single employers and should complete the entire form.

## **Investment Arrangements Filing Directly With DOL**

Some plans invest in certain trusts, accounts, and other investment arrangements that may file information concerning themselves and their relationship with employee benefit plans directly with DOL (as specified on page 6). Plans participating in an investment arrangement as described in **Common/Collective Trust and Pooled Separate Account, Master Trust, and 103-12 Investment Entities** are required to attach certain additional information to the return/report filed with the IRS as specified below.

### **Common/Collective Trust and Pooled Separate Account**

**Definition.**— For reporting purposes, a "common/collective trust" is a trust maintained by a bank, trust company, or similar institution that is regulated, supervised, and subject to periodic examination by a state or Federal agency for the collective investment and reinvestment of assets contributed thereto from employee benefit plans maintained by more than one employer or a controlled group of corporations, as the term is used in Code section 1563. For reporting purposes, a "pooled separate account" is an account maintained by an insurance carrier that is regulated, supervised, and subject to periodic examination by a state agency for the collective investment and reinvestment of assets contributed thereto from employee benefit plans maintained by more than one employer or controlled group of corporations, as the term is used in Code section 1563. See 29 CFR sections 2520.103-3, 2520.103-4, 2520.103-5, and 2520.103-9.

**Note:** *For reporting purposes, a separate account that is not considered to be holding plan assets pursuant to 29 CFR 2510.3-101(h)(1)(iii), shall not constitute a pooled separate account.*

### **Additional information to be attached to the Form 5500-C/R for plans participating in common/collective trusts and pooled separate accounts.**

— A plan participating in a common/collective trust or pooled separate account must complete the annual return/report in accordance with the specific instructions and attach either: (1) the most recent statement of the assets and liabilities of any common/collective trust or pooled separate account, or (2) a certification that: (a) the statement of the assets and liabilities of the common/collective trust or pooled separate account has been submitted directly to DOL by the financial institution or insurance carrier; (b) the plan has received a copy of the statement; and (c) includes the EIN and other numbers used by the financial institution or insurance carrier to identify the trusts or accounts, and the name and address provided, in the direct filing made with DOL.

### **Master Trust**

**Definition.**— For reporting purposes, a master trust is a trust for which a regulated financial institution (as defined below) serves as trustee or custodian (regardless of whether such institution exercises discretionary authority or control with respect to the management of assets held in the trust), and in which assets

of more than one plan sponsored by a single employer or by a group of employers under common control are held.

A "regulated financial institution" means a bank, trust company, or similar financial institution that is regulated, supervised, and subject to periodic examination by a state or Federal agency. Common control is determined on the basis of all relevant facts and circumstances (whether or not such employers are incorporated). See 29 CFR 2520.103-1(e).

For reporting purposes, the assets of a master trust are considered to be held in one or more "investment accounts." A master trust investment account may consist of a pool of assets or a single asset.

Each pool of assets held in a master trust must be treated as a separate master trust investment account if each plan that has an interest in the pool has the same fractional interest in each asset in the pool as its fractional interest in the pool, and if each such plan may not dispose of its interest in any asset in the pool without disposing of its interest in the pool. A master trust may also contain assets that are not held in such a pool. Each such asset must be treated as a separate master trust investment account.

Financial information must be provided to DOL with respect to each master trust investment account as specified on page 7.

### **Additional information to be attached to the Form 5500-C/R for plans participating in master trusts.**

— A plan participating in a master trust must complete the annual return/report and attach to it a schedule listing each master trust investment account in which the plan has an interest indicating the plan's name, EIN, and plan number and the name of the master trust used in the master trust information filed with DOL (see page 6). In tabular format, show the net value of the plan's interest in each investment account at the beginning and end of the plan year, and the net investment gain (or loss) allocated to the plan for the plan year from the investment account.

**Note:** *If a master trust investment account consists solely of one plan's asset(s) during the reporting period, the plan may report the(se) asset(s) either as an investment account to be reported as part of the master trust report filed directly with DOL or as a plan asset(s) that is not part of the master trust (and therefore subject to all instructions pertaining to assets not held in a master trust).*

### **103-12 Investment Entities**

29 CFR 2520.103-12 provides an alternative method of reporting for plans that invest in an entity (other than an investment arrangement filing with DOL as described in

**Common/Collective Trust and Pooled Separate Account or Master Trust** above), the underlying assets of which include "plan assets" (within the meaning of 29 CFR 2510.3-101) of two or more plans that are not members of a "related group" of employee benefit plans. For reporting purposes, a "related group" consists of each group of two or more employee benefit plans (1) each of which receives 10% or more of its aggregate contributions from the same employer or from a member of the same controlled group of corporations (as determined under Code section 1563(a)), without regard to Code section 1563(a)(4); or (2) each of which is either maintained by, or maintained pursuant to a collective-bargaining agreement negotiated by, the same employee organization or affiliated employee organizations. For purposes of this paragraph, an "affiliate" of an employee organization means any person controlling, controlled by, or under common control with such organization. See 29 CFR 2520.103-12.

For reporting purposes, the investment entities described above with respect to which the required information is filed directly with DOL constitute "103-12 investment entities" (103-12 IEs).

## What To File

This section describes the different categories of the Form 5500 series and the related schedules and lists items to be completed by different types of Form 5500-C/R filers. In addition, this section contains a description of the special filing requirements for plans that invest in certain investment arrangements. For a brief guide illustrating which forms and schedules are required by different types of plans and filers, see the summary on page 6.

## Forms

The following are the different forms in the 5500 series of forms.

- **Form 5500**, Annual Return/Report of Employee Benefit Plan, must be filed annually for each plan with 100 or more participants at the beginning of the plan year.
- **Form 5500-C/R**, Return/Report of Employee Benefit Plan, must be filed for each pension benefit plan, welfare benefit plan, and fringe benefit plan (unless otherwise exempted) with fewer than 100 participants at the beginning of the plan year. Most one-participant plans do not have to file Form 5500-C/R. See Form 5500-EZ on this page.

Form 5500-C/R takes the place of separate Forms 5500-C and 5500-R. The Form 5500-C/R has two checkboxes at the top of page 1 to indicate that the form is being filed as a Form 5500-C or a Form 5500-R.

Form 5500-C filers will check box (5) indicating they are filing a Form 5500-C and complete pages 1 and 3 through 6. Form 5500-R filers will check box (6) indicating they are filing a Form 5500-R, complete pages 1 and 2, and detach pages 3 through 6 before filing the return/report.

You must check the box at the top of the Form 5500-C/R indicating that the form is a Form 5500-C for the first plan year, the year for which the final return/report is due, and for plan years in which a Form 5500-R may not be filed as explained below.

You may check the box at the top of the Form 5500-C/R indicating that the form is a Form 5500-R unless: (a) this is the plan's first plan year, (b) this is the plan year for which a final return/report is due, or (c) the Form 5500-R has been filed for both of the prior 2 plan years (including a short plan year). If any of the preceding three situations apply, you must file Form 5500-C and check box (5).

Any plan may choose not to file the Form 5500-R if the plan files the Form 5500-C instead.

**Note:** To determine whether to file Form 5500 or Form 5500-C/R for an employee benefit plan, calculate the number of participants in the same manner as line 7 of the Form 5500 or 5500-C/R but the calculation should be as of the beginning of the plan year. Also, under the filing requirements explained above, if the number of plan participants increases to 100 or more, or decreases below 100, from one year to the next, you would generally have to file a different form from that filed the previous year. However, there is an exception to this rule. The filer may continue to file the same form filed last year (i.e., Form 5500 or 5500-C/R), even if the number of participants changed, provided that at the beginning of this plan year the plan had at least 80 participants, but not more than 120.

## Other Forms

- Use **Form 945**, Annual Return of Withheld Federal Income Tax, to report backup withholding and withholding from pensions, annuities, and IRAs. See **Circular E**, Employer's Tax Guide (Pub. 15) for more information.
- Use **Form 1099-R**, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., to report payments and distributions to plan beneficiaries. See the instructions for Forms 1099, 1098, 5498, and W-2G for more information.

- **Form 5500-EZ**, Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan, should be filed by most one-participant plans.

A one-participant plan is: (1) a pension benefit plan that covers only an individual or an individual and his or her spouse who wholly own a trade or business, whether incorporated or unincorporated; or (2) a pension benefit plan for a partnership that covers only the partners or the partners and the partners' spouses.

See Form 5500-EZ and its instructions to see if the plan meets the requirements for filing the form.

**Note:** Some one-participant plans must file the Form 5500 or the Form 5500-C/R. See the Form 5500-EZ instructions.

- **Form 8822**, Change of Address, may be used to notify the IRS if the plan's mailing address changes after the return/report has been filed.

## Lines To Complete on Form 5500-C

Certain kinds of plans and certain kinds of filers that must file Form 5500-C are **not** required to complete the entire form. These are described below by type of plan. Check the list of headings to see if your plan is affected.

**Fringe benefit plans.**— For a Form 5500-C filed only for a fringe benefit plan that is either a cafeteria plan described in section 125 and/or an educational assistance plan described in Code section 127, complete only lines 1 through 5, 6d, (page 1 of Form 5500-C/R), and Schedule F (Form 5500). **Do not** file pages 3 through 6 of Form 5500-C/R or any other schedules.

If the Form 5500-C/R is filed for both a welfare benefit plan and a fringe benefit plan, complete the above items, all applicable schedules, and the items specified for **Welfare benefit plans** below.

**Welfare benefit plans.**— Welfare benefit plans generally must complete the following line items on the Form 5500-C: Lines 1 through 6a; 6e; 7a; 8a, 8b, 8d, and 8e; 9a, 9b, 9c, and 9f; 10a through 10d; 11 through 14; and 26 through 28.

**Note:** If one Form 5500-C is filed for both a welfare benefit plan and a fringe benefit plan, check box 6d and complete Schedule F (Form 5500) in addition to the items listed above for welfare benefit plans.

**Pension plans.**— In general, most pension plans (defined benefit and defined contribution) are required to complete all items on the form. However, some items do not have to be completed by certain types of pension plans, as described below.

**1. Plans exclusively using a tax deferred annuity arrangement under Code section 403(b)(1).**—These plans need only complete lines 1 through 5, 6b (enter pension code 8), and 9.

**2. Plans exclusively using a custodial account for regulated investment company stock under Code section 403(b)(7).**—These

plans need only complete lines 1 through 5, 6b (enter pension code 9), and 9.

**3. Individual retirement account plan.**—A pension plan utilizing individual retirement accounts or annuities (as described in Code section 408) as the sole funding vehicle for providing benefits need only complete lines 1 through 5, 6b (enter pension code 0), and 9.

**4. Fully insured pension plan.**—A pension benefit plan providing benefits exclusively through an insurance contract, or contracts that are fully guaranteed and that meets all of the conditions of 29 CFR 2520.104-44 need only complete lines 1 through 26c. A pension plan that includes both insurance contracts of the type described in 29 CFR 2520.104-44 as well as other assets should not include the value of these contracts on line 27.

**Note:** For purposes of the annual return/report and the alternative method of compliance set forth in 29 CFR 2520.104-44, a contract is considered to be "allocated" only if the insurance company or organization that issued the contract unconditionally guarantees, upon receipt of the required premium or consideration, to provide a retirement benefit of a specified amount, without adjustment for fluctuations in the market value of the underlying assets of the company or organization, to each participant, and each participant has a legal right to such benefits, which is legally enforceable directly against the insurance company or organization.

## 5. Nonqualified pension benefit plans maintained outside the United States.

Nonqualified pension benefit plans maintained outside the United States primarily for nonresident aliens required to file a Form 5500-C (see **Who Must File** on page 2) must only complete lines 1 through 8c (enter code D on line 6c), 9 through 12, 15, and 16.

**Plans of more than one employer.**— All plans of more than one employer (plans of a controlled group, multiemployer plans, multiple-employer-collectively bargained plans, and multiple-employer plan (other)) generally should complete all applicable (welfare or pension) items on the form except for line 6f. Only single-employer pension plans must complete this item. Multiemployer plans and multiple-employer-collectively bargained plans do not have to complete line 7c on page 3.

## Lines To Complete on Form 5500-R

**Caution:** Please do not file pages 3 through 6 with Form 5500-R. Certain kinds of plans and certain kinds of filers that are required to submit Form 5500-R are **not** required to complete the entire form. These are described below, by type of plan. Check the list of headings to see if your plan is affected.

**Fringe benefit plans.**— A Form 5500-R filed only for a fringe benefit plan that is either a cafeteria plan described in section 125 and/or an educational assistance plan described in Code section 127, must complete only lines 1 through 5, 6d (page 1 of Form 5500-C/R) and Schedule F (Form 5500). **Do not** file pages 3 through 6 of Form 5500-C/R or any other schedules.

If a Form 5500-C/R is filed for both a welfare benefit plan and a fringe benefit plan, complete the above items, all applicable schedules, and the items specified for **Welfare benefit plans**.

**Welfare benefit plans.**— Welfare benefit plans must complete the following items on Form 5500-R: Lines 1 through 6a; 6e; 7a; 8a and 8b; 9; 10; 11; and 13 through 15.

**Pension plans.**— In general, most pension plans (defined benefit and defined contribution) are required to complete all items on the form. However, some line items do not have to be

completed by certain types of pension plans, as described below.

**1. Plans exclusively using a tax deferred annuity arrangement under Code section 403(b)(1).**—These plans need only complete lines 1 through 5, 6b (enter pension code 8), and 8.

**2. Plans exclusively using a custodial account for regulated investment company stock under Code section 403(b)(7).**—These plans need only complete lines 1 through 5, 6b (enter pension code 9), and 8.

**3. Individual retirement account plan.**—A pension plan utilizing individual retirement accounts or annuities (as described in Code section 408) as the sole funding vehicle for providing benefits need only complete lines 1 through 5, 6b (enter pension code 0), and 8.

**4. Fully insured pension plan.**—A pension benefit plan providing benefits exclusively through an insurance contract, or contracts that are fully guaranteed, and that meets all of the conditions of 29 CFR 2520.104-44 must complete lines 1 through 12, 14 (enter -0- on lines 14a and 14c), and 15a, 15b, and 15c. A pension plan that includes both insurance contracts of the type described in 29 CFR 2520.104-44 as well as other assets need only complete all applicable line items on the Form 5500-R but limit its reporting on line 13 to those other assets.

**Note:** For purposes of the annual return/report and the alternative method of compliance set forth in 29 CFR 2520.104-44, a contract is considered to be “allocated” only if the insurance company or organization that issued the contract unconditionally guarantees, upon receipt of the required premium or consideration, to provide a retirement benefit of a specified amount, without adjustment for fluctuations in the market value of the underlying assets of the company or organization, to each participant, and each participant has a legal right to such benefits that is legally enforceable directly against the insurance company or organization.

**5. Nonqualified pension benefit plans maintained outside the United States.**—Nonqualified pension benefit plans maintained outside the United States primarily for nonresident aliens required to file a Form 5500-R must only complete lines 1 through 8a (enter code D on line 6c), and 11 through 15.

## Schedules

**Note:** All schedules and attachments to Forms 5500 and 5500-C/R must include the name of the plan, the plan sponsor’s EIN, and plan number (PN) as found on lines 5a, 1b, and 5c, respectively.

The various schedules to be attached to the return/report are listed below:

• **Schedule A (Form 5500),** Insurance Information, must be attached to Forms 5500 and 5500-C/R, 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). (This includes investments with insurance companies such as guaranteed investment contracts (GICs).)

**Caution:** Your return/report is subject to rejection if you submit a privately designed and printed substitute Federal form that has not been approved by the IRS.

**Exceptions. (1) Schedule A (Form 5500) is not needed if the plan covers only: (a) an individual, or an individual and his or her spouse, who wholly owns a trade or business, whether incorporated or unincorporated; or (b) a partner(s) in a partnership, or a partner(s) and his or her spouse. (2) A Schedule A (Form 5500) is not required to be filed with the Form 5500 or Form 5500-C/R if a Schedule A (Form 5500) is filed for the contract as part of the master trust or 103-12 IE information filed directly with DOL.**

Do not file a Schedule A (Form 5500) with a Form 5500-EZ.

• **Schedule B (Form 5500),** Actuarial Information, must be attached to Form 5500, 5500-C/R, or 5500-EZ for most defined benefit pension plans. See the instructions for Schedule B.

• **Schedule E (Form 5500),** ESOP Annual Information, must be attached to Form 5500, 5500-C/R, or 5500-EZ for all pension benefit plans with ESOP benefits. See the instructions for Schedule E.

• **Schedule F (Form 5500),** Fringe Benefit Plan Annual Information Return, must be attached to page 1 of Form 5500 or 5500-C/R for all fringe benefit plans.

• **Schedule SSA (Form 5500),** Annual Registration Statement Identifying Separated Participants With Deferred Vested Benefits, may be needed for separated participants. See

**When To Report a Separated Participant** in the instructions for Schedule SSA.

• **Schedule P (Form 5500),** Annual Return of Fiduciary of Employee Benefit Trust, may be filed by any fiduciary (trustee or custodian) of an organization that is qualified under Code section 401(a) and exempt from tax under Code section 501(a) who wants to protect the organization under the statute of limitations provided in Code section 6501(a).

File the Schedule P (Form 5500) as an attachment to Form 5500, 5500-C/R, or 5500-EZ for the plan year in which the trust year ends.

## Other Filings

Certain investment arrangements for employee benefit plans file financial information directly with DOL. These arrangements include common/collective trusts, pooled separate accounts, master trusts, and 103-12 IEs. Definitions of these investment arrangements may be found on page 4. Their DOL filing requirements are described below.

**Common/collective trust and pooled separate account information to be filed directly with DOL.**—Financial institutions and insurance carriers filing the statement of the assets and liabilities of a common/collective trust or pooled separate account should identify the trust or account by providing the EIN of the trust or account, or (if more than one trust or account is covered by the same EIN) both the EIN and any additional number assigned by the financial institution or insurance carrier (such as: 99-1234567 Trust No. 1); and a list of all plans participating in the trust or account, identified by the plan number, EIN, and name of the plan sponsor. The direct filing should be addressed to:

Common/Collective Trust (OR)  
Pooled Separate Account  
Pension and Welfare Benefits Administration  
U.S. Department of Labor, Room N5638  
200 Constitution Avenue, NW  
Washington, DC 20210

**Master trust information to be filed directly with DOL.**—The following information with respect to a master trust must be filed with DOL by the plan administrator or by a designee, such as the administrator of another plan participating in the master trust or the financial institution serving as trustee of the master trust, no later than the date on which the plan’s return/report is due. While only one

## Summary of Filing Requirements for Employers and Plan Administrators (File forms ONLY with the IRS)

Type of plan	What to file	When to file
Most pension plans with only one participant or one participant and that participant’s spouse	Form 5500-EZ	File all required forms and schedules for each plan by the last day of the 7th month after the plan year ends.
Pension plan with fewer than 100 participants	Form 5500-C/R	
Pension plan with 100 or more participants	Form 5500	
Annuity under Code section 403(b)(1) or trust under Code section 408(c)	Form 5500, 5500-C/R	
Custodial account under Code section 403(b)(7)	Form 5500, 5500-C/R	
Welfare benefit plan with 100 or more participants	Form 5500	
Welfare benefit or fringe benefit plan with fewer than 100 participants (see plans excluded from filing on page 3)	Form 5500-C/R	
Pension or welfare plan with 100 or more participants (see Form 5500 instructions)	Financial statements, schedules, and accountant’s opinion	
Pension or welfare plan with benefits provided by an insurance company	Schedule A (Form 5500)	
Pension plan that requires actuarial information	Schedule B (Form 5500)	
Plan with 100 or more participants	Schedule C (Form 5500)	
Pension plan with ESOP benefits	Schedule E (Form 5500)	
Fringe benefit plan under Code section 6039D	Schedule F (Form 5500)	
Pension plan filing a registration statement identifying separated participants with deferred vested benefits from a pension plan	Schedule SSA (Form 5500)	

copy of the required information should be filed for all plans participating in the master trust, the information is an integral part of the return/report of each participating plan, and the plan's return/report will not be deemed complete unless all the information is filed within the prescribed time.

**Note:** *If a master trust investment account consists solely of one plan's asset(s) during the reporting period, the plan may report the(se) asset(s) either as an investment account to be reported as part of the master trust report filed directly with DOL or as a plan asset(s) that is not part of the master trust (and therefore subject to all instructions pertaining to assets not held in a master trust).*

Each of the following statements and schedules must indicate the name of the master trust and the name of the master trust investment account. The information shall be filed with DOL by mailing it to:

**Master Trust**

Pension and Welfare Benefits Administration  
U.S. Department of Labor, Room N5638  
200 Constitution Avenue, NW  
Washington, DC 20210

1. The name and fiscal year of the master trust and the name and address of the master trustee.
2. A list of all plans participating in the master trust, showing each plan's name, EIN, PN, and its percentage interest in each master trust investment account as of the beginning and end of the fiscal year of the master trust ending with or within the plan year.
3. A Schedule A (Form 5500) for each insurance or annuity contract held in the master trust.
4. A statement, in the same format as Part I of Schedule C (Form 5500), for each master trust investment account showing amounts of compensation paid during the fiscal year of the master trust ending with or within the plan year to persons providing services with respect to the investment account and subtracted from the gross income of the investment account in determining the net increase (decrease) in net assets of the investment account.
5. A statement for each master trust investment account showing the assets and liabilities of the investment account at the beginning and end of the fiscal year of the master trust ending with or within the plan year, grouped in the same categories as those specified on lines 31a through 31l of Form 5500.
6. A statement for each master trust investment account showing the income and expenses, changes in net assets, and net increase (decrease) in net assets of each such investment account during the fiscal year of the master trust ending with or within the plan year, in the categories specified on line 32 of Form 5500. In place of line 32a, show the total of all transfers of assets into the investment account by participating plans. In place of line 32j, show the total of all transfers of assets out of the investment account by participating plans.
7. Schedules, in the format set forth in the instructions for lines 27a through 27f on Form 5500, of the following items with respect to each master trust investment account for the fiscal year of the master trust ending with or within the plan year: assets held for investment, nonexempt party-in-interest transactions, defaulted or uncollectible loans and leases, and 5% transactions involving assets in the investment account. The 5% figure shall be determined by comparing the current value of the transaction at the transaction date with the current value of the investment account assets

at the beginning of the applicable fiscal year of the master trust.

**103-12 IE information to be filed directly with DOL.**— The information described below must be filed with DOL by the sponsor of the 103-12 IE no later than the date on which the plan's return/report is due before the plan administrator can elect the alternative method of reporting. While only one copy of the required information should be filed for the 103-12 IE, the information is an integral part of the return/report of each plan electing the alternative method of compliance. The filing address is:

103-12 Investment Entity  
Pension and Welfare Benefits Administration  
U.S. Department of Labor, Room N5638  
200 Constitution Avenue, NW  
Washington, DC 20210

1. The name, fiscal year, and EIN of the 103-12 IE and the name and address of the sponsor of the 103-12 IE. If more than one 103-12 IE is covered by the same EIN, they shall be sequentially numbered as follows: 99-1234567 Entity No. 1.
2. A list of all plans participating in the 103-12 IE, showing each plan's name, EIN, PN, and its percentage interest in the 103-12 IE as of the beginning and end of the fiscal year of the 103-12 IE ending with or within the plan year.
3. A Schedule A (Form 5500) for each insurance or annuity contract held in the 103-12 IE.
4. A statement, in the same format as Part I of Schedule C (Form 5500), for the 103-12 IE showing amounts of compensation paid during the fiscal year of the 103-12 IE ending with or within the plan year to persons providing services to the 103-12 IE.
5. A statement showing the assets and liabilities at the beginning and end of the fiscal year of the 103-12 IE ending with or within the plan year, grouped in the same categories as those specified on line 31 of Form 5500.
6. A statement showing the income and expenses, changes in net assets, and net increase (decrease) in net assets during the fiscal year of the 103-12 IE ending with or within the plan year, grouped in the categories specified in line 32 of Form 5500. In place of line 32a, show the total of all transfers of assets into the 103-12 IE by participating plans. In place of line 32j, show the total of all transfers of assets out of the 103-12 IE by participating plans.
7. Schedules, in the format set forth in the instructions for line 27 on Form 5500 (except line 27d) with respect to the 103-12 IE for the fiscal year of the 103-12 IE ending with or within the plan year. Substitute the term "103-12 IE" for the word "plan" when completing the schedules.
8. A report of an independent qualified public accountant regarding the above items and other books and records of the 103-12 IE that meets the requirements of 29 CFR 2520.103-1(b)(5).

## Section 3

### Final Return/Report

If all assets under the plan (including insurance/annuity contracts) have been distributed to the participants and beneficiaries or distributed to another plan (and when all liabilities for which benefits may be paid under a welfare benefit plan have been satisfied), check the "final return/report" box at the top of the Form 5500-C filed for such plan. The year of complete distribution is the last year a

return/report must be filed for the plan. For purposes of this paragraph, a complete distribution will occur in the year in which the assets of a terminated plan are brought under the control of PBGC.

For a defined benefit plan covered by PBGC, a PBGC Form 1 must be filed and a premium must be paid until the end of the plan year in which the assets are distributed or brought under the control of PBGC.

Filing the return/report marked "Final return" and indicating that the plan terminated satisfies the notification requirement of Code section 6057(b)(3).

### Signature and Date

The plan administrator must sign and date all return/reports filed. The name of the individual who signed as plan administrator must be typed or printed clearly on the line under the signature line. In addition, the employer must sign a return/report filed for a single-employer plan or a plan required to file only because of Code section 6039D (i.e., a fringe benefit plan).

When a joint employer-union board of trustees or committee is the plan sponsor or plan administrator, at least one employer representative and one union representative must sign and date the return/report.

Participating employers in a multiple-employer plan (other), who are required to file Form 5500-C/R are required to sign the return/report. The plan administrator need not sign the Form 5500-C/R filed by the participating employer.

### Reproductions

Original forms are preferable, but a clear reproduction of the completed form is acceptable. Sign the return/report after it is reproduced. All signatures must be original.

### Change in Plan Year

Generally, only defined benefit pension plans have to get prior approval for a change in plan year. (See Code section 412(c)(5).) Rev. Proc. 87-27, 1987-1 C.B. 769 explains the procedure for automatic approval of a change in plan year. A pension benefit plan that would ordinarily have to obtain approval for a change in plan year under Code section 412(c)(5) is granted an automatic approval for a change in plan year if all the following criteria are met:

1. No plan year exceeds 12 months.
2. The change will not delay the time when the plan otherwise would have been required to conform to the requirements of any statute, regulation, or published position of the IRS.
3. The trust, if any, retains its exempt status for the short period required to effect the change, as well as for the taxable year immediately preceding the short period.
4. All actions necessary to implement the change in plan year, including plan amendment and a resolution of the board of directors (if applicable), have been taken on or before the last day of the short period.
5. No change in plan year has been made for any of the preceding plan years.
6. In the case of a defined benefit plan, deductions are taken in accordance with section 5 of Rev. Proc. 87-27.

For the first return/report that is filed following the change in plan year, check the box on line C at the top of the form.

### Amended Return/Report

If you file an amended return/report, check box A(2) "an amended return/report" at the top of the form. When filing an amended return, answer all questions and circle the amended line numbers.

## How the Annual Return/Report Information May Be Used

All Form 5500 series return/reports will be subjected to a computerized review. It is, therefore, in the filer's best interest that the responses accurately reflect the circumstances they were designed to report. Annual reports filed under Title I of ERISA must be made available by plan administrators to plan participants and by the Department of Labor to the public pursuant to ERISA section 104.

## Section 4

**Important:** Answer all questions on the Form 5500-C/R with respect to the plan year, unless otherwise explicitly stated in the line-by-line instructions or on the form itself. Therefore, your responses usually apply to the year entered or printed at the top of the first page of the form. **"Yes" or "No" questions must be marked either "Yes" or "No" but not both. "N/A" cannot be used to respond to a "Yes" or "No" question that is required to be answered by the filer as specified on page 5 under Lines To Complete on Form 5500-C or Items To Complete on Form 5500-R.**

### Information at the Top of the Form

On the **first line** at the top of the form complete the space for dates when: (1) the 12-month plan year is not a calendar year, or (2) the plan year is less than 12 months (a short plan year).

**Line A.**— Check box (1) if this is the first filing for this plan. Do not check this box if you have ever filed for this plan even if it was on a different form (Form 5500 vs. Form 5500-C, or Form 5500-R).

Check box (2) if you have already filed for the 1997 plan year and are now submitting an amended return/report to correct errors and/or omissions on the previously filed return/report.

Check box (3) if the plan no longer exists to provide benefits. See **Section 3** on page 7 for instructions concerning the requirement to file a final return/report.

Check box (4) if this form is being filed for a period of less than 12 months and show the dates at the top.

Check box (5) if you are filing a Form 5500-C. If you check this box, complete pages 1 and 3 through 6.

Check box (6) if you are filing a Form 5500-R. If you check this box, complete only pages 1 and 2.

**Line B.**— Check box B if you report information in 1a, 2a, 2b, or 5a that is different from that reported on the last return/report filed. Be certain to provide all information in lines 1 through 6d. Please enter changes in red ink and/or circle the line numbers if the information has been changed since the last return/report.

**Line C.**— Check this box if the plan year has been changed since the last return/report was filed.

**Line D.**— Check this box if you filed for an extension of time to file this form. Attach a copy of the approved Form 5558 or a copy of the employer's extension of time to file the income tax return if you are using the exception in **Extension of Time to File** on page 2 of these instructions.

### Line-By-Line Instructions

If a return/report was filed last year, a Form 5500-C/R with information from that return/report printed on page 1 should have been mailed to the filer. Check any preprinted information in lines 1 through 6d for accuracy and completeness. Provide any additional information to completely answer the questions and cross out any incorrect information. Enter these corrections on page 1. Please use red

ink to enter this information and/or circle the line numbers. This will help us process the forms more efficiently and reduce our need to contact you.

The return/report must be completed in accordance with the following specific instructions.

**Line 1a.**— Enter the name and address of the plan sponsor. If the plan covers only the employees of one employer, enter the employer's name. If the Post Office does not deliver mail to the street address and the sponsor has a P.O. box, show the box number instead of the street address.

The term "plan sponsor" means—

- The employer, for an employee benefit plan that a single employer established or maintains;
- The employee organization in the case of a plan of an employee organization; or
- The association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan, if the plan is established or maintained jointly by one or more employers and one or more employee organizations, or by two or more employers.

Include enough information on line 1a to describe the sponsor adequately. For example, "Joint Board of Trustees of Local 187 Machinists" rather than just "Joint Board of Trustees."

**Line 1b.**— Enter the nine-digit employer identification number (EIN) assigned to the plan sponsor/employer (e.g., 00-1234567).

Employers and plan administrators who do not have an EIN should apply for one on **Form SS-4**, Application for Employer Identification Number. Form SS-4 can be obtained at most IRS or Social Security Administration (SSA) offices. Send Form SS-4 to the Internal Revenue Service Center where you will file Form 5500-C/R.

A plan of a controlled group of corporations should use the EIN of one of the sponsoring members. This EIN must be used in all subsequent filings of the annual returns/reports for the controlled group.

If the plan sponsor is a group of individuals, get a single EIN for the group. When you apply for a number, enter on line 1 of Form SS-4 the name of the group, such as "Joint Board of Trustees of the Local 187 Machinists' Retirement Plan."

**Note:** *Although EINs for funds (trusts or custodial accounts) associated with plans are generally not required to be furnished on the Form 5500 series returns/reports, the IRS will issue EINs for such funds for other trust reporting purposes. EINs may be obtained by filing Form SS-4 as explained above.*

Plan sponsors should use the trust EIN described in the **Note** above when opening a bank account or conducting other transactions for a trust that requires an EIN.

**Line 1d.**— From the list of business codes on pages 17 and 18, enter the one that best describes the nature of the employer's business. If more than one employer is involved, enter the business code for the main business activity.

**Line 1e.**— Plans entering entity Code A or B on line 4 must enter the first six digits of the CUSIP (Committee on Uniform Securities Identification Procedures) number, "issuer number," if one has been assigned to the plan sponsor for purposes of issuing corporate securities. CUSIP issuer numbers are assigned to corporations and other entities which issue public securities listed on stock exchanges or traded over the counter. The CUSIP issuer number is the first six digits of the number assigned to the individual securities that are

traded. If the plan sponsor has no CUSIP issuer number, enter "N/A."

**Line 2a.**— If the document constituting the plan appoints or designates a plan administrator other than the sponsor, enter the administrator's name and address. If the plan administrator is also the sponsor, enter "Same." If "Same" is entered on line 2a, leave lines 2b and 2c blank.

The term "administrator" means—

- The person or group of persons specified as the administrator by the instrument under which the plan is operated;
- The plan sponsor/employer if an administrator is not so designated; or
- Any other person prescribed by regulations of the Secretary of Labor if an administrator is not designated and a plan sponsor cannot be identified.

**Line 2b.**— A plan administrator must have an EIN for reporting purposes. Enter the plan administrator's nine-digit EIN here. If the plan administrator does not have an EIN, apply for one as explained in the instructions for line 1b above.

Employees of an employer are not plan administrators unless so designated in the plan document, even though they engage in administrative functions of the plan. If an employee of the employer is designated as the plan administrator, that employee must get an EIN.

**Line 3.**— If the plan administrator's/sponsor's name, address, and EIN have changed since the last return/report was filed for this plan, enter the plan administrator's/sponsor's name, address, and EIN as it appeared on the last return/report filed for this plan.

**Line 3c.**— Indicate if the change in the sponsor's name, address, and EIN is only a change in sponsorship. "Change in sponsorship" means the plan's sponsor has been changed but no assets or liabilities have been transferred to another plan(s), the plan has not terminated or merged with any other plan. Therefore, the plan is now the responsibility of the new sponsor whose name is entered on line 1a of this return/report.

**Line 4. Entity Code.**— From the following list of entities, choose the one that describes your entity and enter that code on line 4.

Entity	Code
Single-employer plan .....	A
Plan of controlled group of corporations or common control employers .....	B
Multiemployer plan .....	C
Multiple-employer-collectively bargained plan .....	D
Multiple-employer plan (other) .....	E
A return of an employer described in the <b>Notes</b> to <b>Kinds of Filers 2</b> and <b>5</b> on page 3 .....	F

**Line 5a.**— Enter the formal name of the plan or enough information to identify the plan. This name should not exceed 70 characters. If the present plan name exceeds 70 characters and spaces, try to abbreviate it.

**Line 5b.**— Enter the date the plan first became effective.

**Line 5c.**— Enter the three-digit number the employer or plan administrator assigned to the plan. All welfare benefit plan numbers and Code section 6039D plan numbers start at 501. All other plans start at 001.

Once you use a plan number, continue to use it for that plan on all future filings with IRS, DOL and PBGC. Do not use it for any other plan even if you terminated the first plan.

**Line 6a. Welfare Benefit Plan Codes.**— Check this box and enter every code from the list below that describes the welfare benefit plan for which this return/report is filed.

**Example.** If your plan provides health insurance, life insurance, dental insurance and



eye examinations, enter the codes A, B, D, and E. If your plan has a benefit not described by one of the codes, enter "Z" and write in a description of this benefit in the space provided.

Type of Welfare Plan	Code
Health (other than dental or vision) .....	A
Life insurance .....	B
Supplemental unemployment .....	C
Dental .....	D
Vision .....	E
Temporary disability (accident and sickness) .....	F
Prepaid legal .....	G
Long-term disability .....	H
Severance pay .....	I
Apprenticeship and training .....	J
Scholarship (funded) .....	K
Death benefits (other than life ins.) .....	L
Taft-Hartley Financial Assistance for Employee Housing Expenses .....	P
Other (specify on page 1) .....	Z

**Line 6b. Pension Benefit Plan Codes.—**

Check this box and enter the codes from the list below that describe the type of benefits for which the Form 5500-C/R is being filed.

**Note:** A pension plan must be either a defined benefit or a defined contribution plan.

Type of Pension Benefit Plan	Code
Defined benefit .....	1
<b>Defined Contribution</b>	
Profit-sharing .....	2
Stock bonus .....	3
Target benefit .....	4
Other money purchase .....	5
Other (specify on page 1) .....	6
<b>Other</b>	
Defined benefit plan with benefits based partly on balance of separate account of participant (Code section 414(k)) .....	7
Annuity arrangement of certain exempt organizations (Code section 403(b)(1)) .....	8
Custodial account for regulated investment company stock (Code section 403(b)(7)) .....	9
Pension plan utilizing individual retirement accounts (IRAs) or annuities (described in Code section 408) as the sole funding vehicle for providing benefits .....	0

**Line 6c. Pension Plan Feature Codes.—** If the plan includes pension benefits, enter the code(s) from the list of pension plan feature codes below.

Type of Pension Plan Feature (see descriptions and codes below)	Code
Employee stock ownership plan (ESOP) .....	A
Leveraged ESOP .....	B
Participant-directed account plan .....	C
Pension plan maintained outside the USA .....	D
Plan covering self-employed individuals .....	E
Affiliated service group (Code section 414(m)(2)) 401(k) plan—(plan containing a cash or deferred arrangement) .....	F
Top-heavy plan (in 1984 or subsequent plan year) .....	G
Plan with permitted disparity provisions—(See Code sections 401(a)(5) and 401(l)) .....	H
Master plan .....	I
Prototype plan .....	J
Regional prototype plan .....	K
One-participant plan .....	L

- If you enter code **A** or **B**, you must complete Schedule E (Form 5500) and attach it to the Form 5500-C/R you file for this plan.
- Enter code **B** for a leveraged ESOP if the plan acquires employer securities with borrowed money or other debt-financing techniques.
- Enter code **C** for a pension plan that provides for individual accounts and permits a participant or beneficiary to exercise independent control over the assets in his or her account (see ERISA section 404(c)).
- Enter code **D** for a pension benefit plan maintained outside the United States primarily

for nonresident aliens. See **Kinds of Filers** on page 3 for more information.

• Enter code **F** for a plan of an affiliated service group. In general, Code section 414(m)(2) defines an affiliated service group as a first service organization (FSO) that has:

1. A service organization (A-ORG) that is a shareholder or partner in the FSO and that regularly performs services for the FSO, or is regularly associated with the FSO in performing services for third persons, and/or

2. Any other organization (B-ORG) if:  
a. A significant portion of the business of that organization consists of performing services for the FSO or A-ORG of a type historically performed by employees in the service field of the FSO or A-ORG, and  
b. 10% or more of the interest of the B-ORG is held by persons who are highly compensated employees of the FSO or A-ORG.

An affiliated service group also includes a group consisting of an organization whose principal business is performing management functions for another organization (or one organization and other related organizations) on a regular and continuing basis, and the organization for which such functions are so performed by the organization.

• Enter code **G** for a cash or deferred arrangement described under Code section 401(k) that is part of a qualified defined contribution plan that provides for an election by employees to defer part of their earnings or receive these amounts in cash.

• Enter code **H** if the plan is top-heavy. A "top-heavy plan" is a plan that during any plan year is:

1. Any defined benefit plan if, as of the determination date, the present value of the cumulative accrued benefits under the plan for key employees exceeds 60% of the present value of the cumulative accrued benefits under the plan for all employees; and

2. Any defined contribution plan if, as of the determination date, the aggregate of the accounts of key employees under the plan exceeds 60% of the aggregate of the accounts of all employees under the plan.

Each plan of an employer included in a required aggregation group is to be treated as a top-heavy plan if such group is a top-heavy group. See definitions of required aggregation and top-heavy groups below.

A "key employee" is any participant in an employer plan who at any time during the plan year, or any of the 4 preceding years, is:

1. An officer of the employer having an annual compensation greater than 50% of \$125,000, the defined benefit dollar limitation for 1997 under Code section 415(b)(1)(A),

2. One of the 10 employees having annual compensation from the employer greater than \$30,000, the defined contribution dollar limitation for 1997 under Code section 415(c)(1)(A) and owning (or considered as owning within the meaning of Code section 318) the largest interests in the employer,

3. A 5% owner of the employer, or  
4. A 1% owner of the employer having an annual compensation from the employer of more than \$150,000.

In determining whether an individual is an officer of the employer, no more than 50 employees, or, if less, the greater of 3 employees or 10% of the employees, are to be treated as officers. See Code section 416(i) and T-12 of Income Tax Regulations section 1.416-1. A key employee will not include any officer or employee of a governmental plan under Code section 414(d).

A "required aggregation group" consists of:

1. Each plan of the employer in which a key employee is or was a participant, and

2. Each other plan of the employer that enables a plan to meet the requirements for nondiscrimination in contributions or benefits under Code section 401(a)(4), or the participation requirements under Code section 410.

A "top heavy group" is an aggregation group if, as of the determination date, the sum of the present value of the cumulative accrued benefits for key employees under all defined benefit plans included in such group and the aggregate of the accounts of key employees under all defined contribution plans in such group exceeds 60% of a similar sum determined for all employees. To determine if a plan is top heavy, include distributions made in the 5-year period ending on the determination date. However, do not take into account accrued benefits for an individual who has not performed services for the employer during the 5-year period ending on the determination date.

• Enter code **M** for a one-participant plan filing the Form 5500 or Form 5500-C/R. See the instructions for **Plans Excluded From Filing** on page 3 and **Form 5500-EZ** under **Other Forms** on page 5.

**Line 6d. Fringe Benefit Plan.—** Complete only page 1 (lines 1 through 5 and 6d) and Schedule F (Form 5500) for a Form 5500-C/R filed only because of Code section 6039D. See page 5 for additional instructions on **Lines To Complete on Form 5500-C** and **Lines To Complete on Form 5500-R** for a fringe benefit plan.

**Form 5500-C filers, see pages 12 through 16 for instructions for lines 6e through 28 for Form 5500-C.**

**Form 5500-R, Page 2**

**Note:** A Form 5500-R cannot be used for an initial or final return/report. File Form 5500-C instead. See the instructions for Line A on page 7.

**Line 7.—** The definition of "participant" in the instructions below is only for purposes of line 7 of this form.

For welfare plans, the number of participants should be determined by reference to 29 CFR 2510.3-3(d). Dependents are considered to be neither participants nor beneficiaries. For pension benefit plans, "alternate payees" entitled to benefits under a qualified domestic relations order are not to be counted as participants for this line item.

"Participant" means any individual who is included in one of the categories below.

1. Active participants include any individuals who are currently in employment covered by a plan and who are earning or retaining credited service under a plan. This category includes any individuals who are: (1) currently below the permitted disparity level in a plan that is integrated with social security, and/or (2) eligible to elect to have the employer make payments to a Code section 401(k) qualified cash or deferred arrangement. Active participants also include any nonvested individuals who are earning or retaining credited service under a plan. This category **does not** include nonvested former employees who have incurred the break in service period specified in the plan.

2. Inactive participants receiving benefits are any individuals who are retired or separated from employment covered by the plan and who are receiving benefits under the plan. This includes former employees who are receiving group health continuation coverage

benefits pursuant to Part 6 of ERISA and who are covered by the employee welfare benefit plan. This category does not include any individual to whom an insurance company has made an irrevocable commitment to pay all the benefits to which the individual is entitled under the plan.

**3.** Inactive participants entitled to future benefits are individuals who are retired or separated from employment covered by the plan and who are entitled to begin receiving benefits under the plan in the future. This category does not include any individual to whom an insurance company has made an irrevocable commitment to pay all the benefits to which the individual is entitled under the plan.

**4.** Deceased participants are any deceased individuals who have one or more beneficiaries who are receiving or are entitled to receive benefits under the plan. This category does not include an individual if an insurance company has made an irrevocable commitment to pay all the benefits to which the beneficiaries of that individual are entitled under the plan.

**Line 7b.**— Enter the number of participants included on line **7a(2)** (total participants at the end of the plan year) who have account balances. For example, for a Code section 401(k) plan, the number entered on line **7b** should be the number of participants counted on line **7a(2)** who have made a contribution to the plan during this plan year or any prior year.

**Line 7c(1).**— If “Yes,” file Schedule SSA (Form 5500) as an attachment to Form 5500-R. **Plan administrators:** Code section 6057(e) provides that the plan administrator must give each participant a statement showing the same information reported on Schedule SSA for that participant.

**Line 8a.**— Check “Yes,” if the plan was terminated and enter the year of termination if applicable.

**Line 8b.**— If the plan was terminated and all assets were not distributed, file a return/report for each year the plan has assets. In that case, the return/report must be filed by the plan administrator, if designated, or by the person or persons who actually control the plan’s property.

If all assets were used to buy individual annuity contracts and the contracts were distributed to the participants, check “Yes.”

If all the plan assets were legally transferred to the control of another plan or brought under the control of PBGC, check “Yes.”

**Line 9.**— Check “Yes,” if either the contributions to the plan or the benefits paid by the plan are subject to the collective-bargaining process, even if the plan is not established and administered by a joint board of trustees. Check “Yes” even if only some of those covered by the plan are members of a collective-bargaining unit that negotiates benefit levels on its own behalf. The benefit schedules do not have to be identical for all employees under the plan.

**Line 10.**— The insurance company (or similar organization) that provides benefits is required to provide the plan administrator with the information needed to complete the return/report, pursuant to ERISA section 103(a)(2). If you do not receive this information in a timely manner, contact the insurance company (or similar organization). If information is missing on Schedule A (Form 5500) due to a refusal to provide this information, note this on Schedule A. If you are not required to file Schedule(s), enter -0-.

**Line 11a(1).**— Check “Yes,” if an amendment to the plan was adopted in this plan year, regardless of the effective date of the amendment.

**Line 11a(2).**— Enter the month and year of the most recent plan amendment even if it is in a plan year prior to the plan year for which this return/report is filed.

**Line 11b.**— Check “Yes” only if the accrued benefits were retroactively reduced. For example, a plan provides a benefit of 2% for each year of service, but the plan is amended to change the benefit to 1½% a year for all years of service under the plan.

**Line 11c.**— Check “Yes” only if an amendment changed the information previously provided to participants by the summary plan description or summary description of modifications.

**Line 11d.**— A revised summary plan description or summary description of modifications generally must be distributed to all participants and pension plan beneficiaries no later than 210 days after the close of the plan year in which the amendment(s) was adopted. If the material was distributed since the amendments were adopted (even if after the end of the plan year), check “Yes” for line 11d. See 29 CFR 2520.104b-1 through 2520.104b-4 for details on these requirements and special rules for group health plans (including the 60-day notice requirement for a “material reduction in covered services or benefits”).

**Line 12a.**— Check “Yes,” if this is a pension plan subject to minimum funding standards that has experienced a funding deficiency. A funding deficiency occurs if the amount of required employer contribution for the plan year exceeds the actual contribution paid by the employer for the plan year. If the answer to this question is “No” or “Not Applicable,” check “No” and go to line 13.

All defined benefit plans are subject to minimum funding standards, except fully insured plans, church plans, governmental plans, and certain other plans described in section 412(h). Code section 412 describes the minimum funding standards applicable to defined contribution plans qualified under Code sections 401(a) and 403(a).

All defined benefit pension plans subject to the minimum funding standards must complete and attach Schedule B (Form 5500).

If this is a defined contribution plan for which a waived funding deficiency is being amortized in the current plan year, attach Schedule B (Form 5500) to this form. Complete only lines 3, 8a, 9, and 10 of the Schedule B. An enrolled actuary does not have to sign the Schedule B under these circumstances.

**Line 12b.**— If line 12a is checked “Yes,” this line must be answered. If a funding deficiency occurs, Form 5330 must be filed with the IRS to pay the excise tax on the amount of the deficiency.

**Caution:** *There is a penalty for not filing Form 5330 on time.*

**Line 12c.**— Check “Yes” if, for purposes of computing the minimum funding requirements for the plan year, the plan administrator is making an election intended to satisfy the requirements of Code section 412(c)(8).

Under Code section 412(c)(8), a plan administrator may elect to have any amendment, which is adopted after the close of the plan year to which it applies, treated as having been made on the first day of that plan year if all the following requirements are met:

- The amendment is adopted no later than 2½ months after the close of such plan year (2 years for multiemployer plan);
- The amendment does not reduce the accrued benefit of any participant determined as of the beginning of such plan year;
- The amendment does not reduce the accrued benefit of any participant determined as of the adoption of the amendment unless

the plan administrator notified the Secretary of the Treasury of the amendment and the Secretary either approved the amendment or failed to disapprove the amendment within 90 days after the date the notice was filed.

See Temporary Regulations section 11.412(c)-7(b) for details on when and how to make the election and the information to include on the statement of election, which must be filed with the appropriate Form 5500 or Form 5500-C/R.

**Line 12d.**— Do not answer this question if you are filing for a defined contribution plan or for a defined benefit plan for which the funding method either has not been changed for the plan year or has been changed pursuant to an application under Rev. Proc. 78-37, 1978-2 C.B. 540.

A revenue procedure that provides for an automatic approval for a change in funding method is not applicable for the current plan year unless the plan sponsor/administrator explicitly agrees with the change. If such a change was made pursuant to a revenue procedure for the current plan year and the plan sponsor/administrator agrees with the change, check “Yes.” Otherwise, check “No.” If “No” is checked, the change in funding method is not applicable for this plan year.

**Lines 13 and 14.**— Use either the cash, modified accrual, or accrual basis for recognition of transactions on lines 13 and 14, as long as one method is used consistently. Round off all amounts on lines 13 and 14 to the nearest dollar. “Current value” means fair market value where available. Otherwise, it means the fair value as determined in good faith under the terms of the plan by a trustee or a named fiduciary, assuming an orderly liquidation at the time of the determination.

If the assets of two or more plans are maintained in one trust, such as when an employer has two plans funded through a single trust (except investment arrangements filing directly with DOL), complete lines 13 and 14 by entering the plan’s allocable part of each line item.

If assets of one plan are maintained in two or more trust funds, report the combined financial information on lines 13 and 14. Fully insured defined benefit or defined contribution pension plans that meet the conditions of 29 CFR 2520.104-44 do not have to complete line 13.

For purposes of the annual return/report and the alternative method of compliance set forth in 29 CFR 2520.104-44, a contract is considered to be “allocated” only if the insurance company or organization that issued the contract unconditionally guarantees, upon receipt of the required premium or consideration, to provide a retirement benefit of a specified amount, without adjustment for fluctuations in the market value of the underlying assets of the company or organization, to each participant, and each participant has a legal right to such benefits that is legally enforceable directly against the insurance company or organization.

Total plan assets at the beginning of the plan year plus line 14c (net income (loss)) must equal the total plan assets at the end of the plan year.

**Note:** *Plan income includes contributions to the plan and plan expenses include total benefits paid.*

**Line 13a.**— Enter the total plan assets at the beginning and end of the plan year. Plan assets may include, among other things:

1. Cash, including both interest and noninterest bearing. This includes all cash on hand or in a financial institution including money market funds.

2. Receivables, including all contributions due to the plan from the employer and participants, income earned, but not yet received by the plan, and receivables from any other source.

3. Investments including securities (stocks, bonds, U.S. Government obligations, municipal obligations, etc.); real property (land, buildings, gold, furniture, equipment, etc.); loans (mortgages, promissory notes, etc.); and all other investments (certificates of deposit, repurchase agreements, land contracts, units of participation in common/collective trusts and pooled separate accounts, shares of registered investment companies (mutual funds), interests in master trusts and 103-12 IEs, etc.).

Plans holding units of participation in common/collective trusts and/or pooled separate accounts must attach to the Form 5500-R either the statement of assets and liabilities of the common/collective trust and/or pooled separate account or the required certification. For details, see 29 CFR sections 2520.103-3, 2520.103-4, 2520.103-5, and 2520.103-9.

Plans in a master trust must include the value of the plan's interest in the master trust, which is the sum of the net values of the plan's interest in all of the master trust investment accounts. The net values of such interests are obtained by multiplying the plan's percentage interest in each master trust investment account by the net assets of the investment account (total assets minus total liabilities) at the beginning and end of the plan year.

**Line 13b.**— Enter the total liabilities at the beginning and end of the plan year. Liabilities to be entered here do not include the value of future pension payments to plan participants; however, the amount to be entered on line 13b for accrual basis filers includes, among other things:

1. Benefit claims that have been processed but have not been paid,
2. Accounts payable obligations owed by the plan that were incurred in the normal operations of the plan but have not been paid,
3. Other liabilities such as acquisition indebtedness and any other amount owed by the plan.

**Line 13c.**— Enter the net assets as of the beginning and end of the plan year. Subtract line 13b from line 13a.

**Line 14a.**— Enter all plan income during the year. Plan income received and/or receivable may include, among other things:

1. Interest on investments (including money market funds, sweep accounts, STIF accounts, etc.).
2. Dividends. (Accrual basis plans should include dividends declared for all stock held by the plan even if the dividends have not been received as of the end of the plan year.)
3. Rents from income-producing property owned by the plan.
4. Royalties.
5. All contributions including securities or other noncash property contributed to the plan.
6. Net gain or loss from the sale of assets.
7. Other income such as unrealized appreciation (depreciation) in plan assets. To compute this amount, subtract the current value of all assets at the beginning of the year plus the cost of any assets acquired during the plan year from the current value of all assets at the end of the year minus assets disposed of during the plan year. A negative figure should be placed in parentheses.

**Line 14b.**— Enter all the expenses of the plan during the year. Expenses (paid and/or payable) may include, among others:

1. Direct payments made to participants or beneficiaries in cash, securities, or other

property. If the securities or other property are distributed to plan participants or beneficiaries, include the fair market value (or a good-faith estimate if fair market value is not available) on the date the property was distributed.

2. Payments to insurance carriers and similar organizations (including Blue Cross, Blue Shield, and health maintenance organizations).

3. Payments to provide benefits for such things as legal services, day care services, training and apprenticeship services.

4. Administrative expenses including:

- a. Salaries to employees of the plan.
- b. Expenses for accounting, actuarial, legal, and investment services.
- c. Fees and expenses for trustees including reimbursement for travel, seminars, and meeting expenses.
- d. Fees paid for valuations and appraisals.

**Line 14c.**— Enter the net income (loss). Subtract line 14b from line 14a. If the result is a negative number, enter it in parentheses.

**Line 14d.**— Enter the total contributions received and, for accrual basis plans, contributions due to be received from the employer, participants and/or any other source. Total contributions include all contributions regardless of whether the amounts contributed are invested or distributed for paying benefits, administrative expenses, or for other purposes.

**Line 14e.**— Include: (1) payments made (and for accrual basis filers payments due) to participants or beneficiaries in cash, securities, or other property; (2) payments to insurance companies and similar organizations such as Blue Cross, Blue Shield, and health maintenance organizations for the provision of plan benefits (e.g., paid-up annuities, accident insurance, health insurance, vision care, dental coverage, etc.); (3) payments made to other organizations or individuals providing benefits. Generally, the payments discussed in (3) are made to individual providers of welfare benefits such as legal services, day care services, and training and apprenticeship services. If securities or other property are distributed to plan participants or beneficiaries, include the fair market value (or a good-faith estimate if fair market value is not available) on the date of distribution. Include these benefits in the amount of the expenses entered on line 14b.

**Line 15.**— Check "Yes" or "No." "N/A" may not be used as an answer. A "Yes" answer requires the total amount to be entered in the amount column. Round off all amounts to the nearest dollar.

**Line 15a.**— Check "Yes" and indicate the aggregate amount of coverage available for all claims if every plan official who handles plan funds is covered by a bond. Otherwise, check "No." Generally, every plan official of an employee benefit plan who "handles" funds or other property of such plan must be bonded. A plan administrator, officer, or employee 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 2580 provide 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 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).

Check "Yes" only if the plan itself (as opposed to the plan sponsor or administrator) is a named insured under a fidelity bond covering plan officials and if the plan is protected as described in 29 CFR 2580.412-18.

Plans are permitted under certain conditions to purchase fiduciary liability insurance. These policies do not protect the plan from dishonest acts and are not bonds that should be reported on line 15.

**Line 15c.**— If line 15a is answered "Yes," line 15c must be answered. Check line 15c "Yes" if the plan has suffered or discovered any loss as the result of a dishonest or fraudulent act(s). If "Yes," enter the full amount of the loss. If the full amount of the loss has not yet been determined, provide and disclose that the figure is an estimate, such as "Approximately \$1,000."

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

**Line 15d.**— For purposes of line 15, the term "employer" includes affiliates of the employer. In determining the five most highly paid employees, use all compensation paid including cash, bonuses, and noncash payments (e.g., the use of a car). A fiduciary is a person with respect to a plan to the extent: (1) he or she exercises any discretionary authority or discretionary control with respect to the management of such plan or exercises any authority or control over the management or disposition of its assets, (2) he or she renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of such plan, or has any authority or responsibility to do so, or (3) he or she has any discretionary authority or discretionary responsibility in the administration of such plan.

Relatives include spouses, siblings, ancestors, lineal descendants (e.g., children, grandchildren, etc.), and spouses of lineal descendants. If line 15d is answered "Yes," enter the total amount of these transactions.

**Line 15e.**— See line 15d above for the definitions of the parties involved. If line 15e is answered "Yes," enter the total amount of the transactions.

**Line 15f.**— An "employer security" is a security issued by an employer (including affiliates) of employees covered by the plan. These may include common stocks, preferred stocks, bonds, zero coupon bonds, debentures, convertible debentures, notes, and commercial paper.

Employer real property is any real property (and related personal property) owned by the plan and leased to the employer of employees covered by the plan. This may include land, warehouses, office buildings, etc. If line 15f is checked "Yes," enter the total amount of employer securities and/or employer real property held or acquired.

**Line 15g.**— Generally, a loan requires that both the principal and interest be paid according to a pre-established repayment schedule. If the principal and/or interest has not been paid in accordance with the original repayment schedule and the period for repayment of the principal and/or interest has been extended, or the loan has been renegotiated after the original repayment schedule has not been met, check "Yes" and enter the total amount of the delinquent loan. Otherwise, check "No."

**Line 15h.**— A "Yes" response does not necessarily mean that the employer has violated ERISA. However, 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). An employer holding these assets after that date commingled with its 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 Form 5330 with the IRS to pay any applicable excise tax on the transaction.

**Line 15i.**— Check "Yes" for obligations where the required payments have not been made by the due date. With respect to notes and loans, the due date, payment amount, and conditions for default are usually contained in the note or loan document. Defaults can occur at any time for those obligations that require periodic repayment. Generally, loans and fixed income obligations are considered uncollectible when payment has not been made and there is little probability that payment will be made. A loan by the plan is in default when the borrower is unable to pay the obligation upon maturity. A fixed income obligation has a fixed maturity date at a specified interest rate. If line 15i is checked "Yes," enter the total amount of loans by the plan or fixed income obligations that are uncollectible or in default as of the plan year end.

**Line 15j.**— Consider all fiduciaries and parties providing services to the plan, including: (1) persons who are fiduciaries by reason of their relationship to a master trust investment account or 103-12 IE in which the plan has an interest or the assets in such an investment account or 103-12 IE; and (2) parties providing services rendered with respect to assets held in master trusts and 103-12 IEs.

See the instructions for line 15d above for the definition of fiduciary.

**Line 15k.**— Include as a single security all securities of the same issue. An example of a single issue is a certificate of deposit issued by the XYZ Bank on July 1, 1997, which matures on June 30, 1997, and yields 6.5%. For the purposes of line 15k, do not check "Yes" for securities issued by the U.S. Government or its agencies. If line 15k is checked "Yes," enter the total.

**Line 15l.**— In determining the 20% figure, subtract the current value of plan assets held in any master trust or 103-12 IE from the current value of the plan's total assets at the beginning of the plan year. Check "Yes," if the plan had:

1. A single transaction within the plan year in excess of 20% of the current value of the plan assets;
2. Any series of transactions with, or in conjunction with, the same person, involving property other than securities, which amount in the aggregate within the plan year (regardless of the category of asset and the gain or loss on any transaction) to more than 20% of the current value of plan assets;
3. Any transaction within the plan year involving securities of the same issue if within the plan year any series of transactions with respect to such securities amount in the aggregate to more than 20% of the current value of the plan assets; or
4. Any transaction within the plan year with respect to securities with, or in conjunction with, a person if any prior or subsequent single transaction within the plan year with such person, with respect to securities, exceeds 20% of the current value of plan assets. The 20% figure is determined by comparing the current value of the transaction at the transaction date with the current value of the plan assets at the beginning of the plan year.

See 29 CFR 2520.103-6 and substitute "20%" whenever "5%" appears in the regulation.

If the assets of two or more plans are maintained in one trust, the plan's allocable portion of the transactions of the trust shall be combined with the other transactions of the plan, if any, to determine which transactions (or series of transactions) are reportable (20%) transactions.

**Exception.** For investments in common/collective trusts, pooled separate accounts, 103-12 IEs, and registered investment companies, determine the 20% figure by comparing the transaction date value of the acquisition and/or disposition of units of participation or shares in the entity with the current value of the plan assets at the beginning of the plan year. Check "No" if all plan funds are held in a master trust. Do not include individual transactions of common/collective trusts, pooled separate accounts, 103-12 IEs, and registered investment companies.

If line 15l is answered "Yes," enter the amount.

**Line 15m.**— Check "No" if the plan received all of its contributions in cash. Generally, as it relates to this question, an appraisal by an unrelated third party is an evaluation of the value of the asset contributed prepared by an individual or firm who knows how to judge the value of the asset and does not have an ongoing relationship with the plan or plan fiduciaries except for preparing the appraisal. If line 15m is checked "Yes," enter the value of the asset as established by the plan.

**Line 15n.**— Nonpublicly traded securities are generally held by few people and not traded on a stock exchange. Generally, as it relates to this question, an appraisal by an unrelated third party is an evaluation of the value of the security prepared by an individual or firm who knows how to judge the value of the security and does not have an ongoing relationship with the plan or plan fiduciaries except for preparing the appraisal. If line 15n is answered "Yes," enter the value of the security as established by the plan.

**Line 15o.**— You must check "Yes," if any benefits were not timely paid or not paid in full.

**Line 16a.**— If you are uncertain if the plan is covered under the PBGC termination insurance program, check the box "Not determined," contact the PBGC, and request a coverage determination. Deferred contribution plans, welfare and fringe benefit plans do not complete this line item.

## Form 5500-R Filers Stop Here.

## Form 5500-C, Pages 3 Through 6

(Pages 3 through 6, line 6e through 28 are completed for Form 5500-C filers only.)

**Line 6e.**— Line 6e must be answered if the plan used any of these investment arrangements at any time during the plan year. See pages 4 through 7 for definitions, additional information to attach to Form 5500-C, and other information pertaining to master trusts, 103-12 investment entities, common/collective trusts and pooled separate accounts. Also see the instructions for line 26 through 28 for specific reporting requirements for plans which utilize these entities.

**Line 6e(1).**— In the space provided in line 6e, enter the name of the trust and financial institution. Also enter the city and state where the trust is maintained. (See **Master Trust** on page 4 for instructions.)

**Line 6e(2).**— In the space provided in line 6e, enter the name and address of the 103-12 IE. (See instructions for 103-12 IEs on page 7.)

**Line 6f.**— For single-employer pension plans enter the date the employer's tax year ends. For example, if the tax year is a calendar year, enter December 31, 1997. Do not complete line 6f for plans with more than one employer.

**Lines 6g and 6h.**— A defined benefit plan is generally subject to the minimum funding requirements under Code section 412 unless it is a fully insured plan that is exempt from the minimum funding requirements under Code section 412(i). A plan is considered a 412(i) plan whether or not all or part of the plan is trustee or a noninsured top-heavy side fund is maintained. All such plans must check their 412(i) status on line 6g. Check box 6h if any part of the plan that was formerly subject to the minimum funding requirements under section 412 for either of the prior 2 plan years has become exempt under section 412(i).

**Note:** All defined benefit plans subject to the minimum funding requirements under Code section 412 must complete line 15a and attach Schedule B (Form 5500). Also complete line 15a and attach Schedule B (Form 5500) for all 412(i) plans where all premiums for the plan year required under section 412(i) have not been paid before the lapse of any insurance contract under the plan and/or where a noninsured top-heavy side fund is maintained.

**Line 7.**— The description of "participant" in the instructions below is only for purposes of line 7 of this form.

For welfare plans, the number of participants should be determined by reference to 29 CFR 2510.3-3(d). Dependents are considered to be neither participants nor beneficiaries. For pension benefit plans, "alternate payees" entitled to benefits under a qualified domestic relations order are not to be counted as participants for this line item.

"Participant" means any individual who is included in one of the categories below.

1. Active participants include any individuals who are currently in employment covered by a plan and who are earning or retaining credited service under a plan. This category includes any individuals who are: (1) currently below the permitted disparity level in a plan that is integrated with social security, and/or (2) eligible to elect to have the employer make payments to a Code section 401(k) qualified cash or deferred arrangement. Active participants also include any nonvested individuals who are earning or retaining credited service under a plan. This category **does not** include nonvested former employees who have incurred the break in service period specified in the plan.

For determining if active participants are fully vested, partially vested, or nonvested, consider vesting in employer contributions only.

2. Inactive participants receiving benefits are any individuals who are retired or separated from employment covered by the plan and who are receiving benefits under the plan. This includes former employees who are receiving group health continuation coverage benefits pursuant to Part 6 of ERISA and who are covered by the employee welfare benefit plan. This category does not include any individual to whom an insurance company has made an irrevocable commitment to pay all the benefits to which the individual is entitled under the plan.

3. Inactive participants entitled to future benefits are individuals who are retired or separated from employment covered by the plan and who are entitled to begin receiving benefits under the plan in the future. This category does not include any individual to whom an insurance company has made an

irrevocable commitment to pay all the benefits to which the individual is entitled under the plan.

**4.** Deceased participants are any deceased individuals who have one or more beneficiaries who are receiving or are entitled to receive benefits under the plan. This category does not include an individual if an insurance company has made an irrevocable commitment to pay all the benefits to which the beneficiaries of that individual are entitled under the plan.

**Line 7b.**— See instructions to Form 5500-R, line 7b on page 10.

**Line 7c.**— Include any participant who terminated employment during this plan year, whether or not the participant incurred a break in service. Multiemployer plans and multiple-employer-collectively bargained plans do not have to complete line 7c.

**Line 7d(1).**— If “Yes,” file Schedule SSA (Form 5500) as an attachment to the Form 5500-C. **Plan administrators:** Code section 6057(e) provides that the plan administrator must give each participant a statement showing the same information for that participant as is reported on Schedule SSA.

**Line 8a.**— Check “Yes” if an amendment to the plan was adopted, regardless of the effective date of the amendment.

**Line 8b.**— Enter the date the most recent amendment was adopted regardless of the date of the amendment or the effective date of the amendment.

**Line 8c.**— Check “Yes” only if the accrued benefits were retroactively reduced. For example, a plan provides a benefit of 2% for each year of service, but the plan is amended to change the benefit to 1½% a year for all years of service under the plan.

**Line 8d.**— Check “Yes” only if an amendment changed the information previously provided to participants by the summary plan description or summary description of modifications.

**Line 8e.**— A revised summary plan description or summary description of modifications generally must be distributed to all participants and pension plan beneficiaries no later than 210 days after the close of the plan year in which the amendment(s) was adopted. If the material was distributed since the amendments were adopted (even if after the end of the plan year), check “Yes” for line 8e. See 29 CFR 2520.104b-1 through 2520.104b-4 for details on these requirements and special rules for group health plans (including the 60-day notice requirement for a “material reduction in covered services or benefits”).

**Line 9a.**— Check “Yes” if the plan was terminated and enter the year of termination if applicable.

**Line 9b.**— If the plan was terminated but all plan assets were not distributed, a return/report must be filed for each year the plan has assets. In that case, the return/report must be filed by the plan administrator, if designated, or by the person or persons who actually control the plan's property.

If all plan assets were used to buy individual annuity contracts and the contracts were distributed to the participants, check “Yes.” If all the plan assets were legally transferred to another plan or brought under the control of PBGC, check “Yes.”

Do not check “Yes” for a welfare benefit plan that is still liable to pay benefits for claims that were incurred prior to the termination date but not yet paid. See 29 CFR 2520.104b-2(g)(2)(ii).

**Line 9h.**— The Code provides for a nondeductible excise tax on a reversion of assets from a qualified plan.

**Line 9i.**— The employer must report the reversion by filing Form 5330 and pay any applicable tax. The tax will not be imposed upon employers who are tax-exempt entities under Code section 501(a). See the instructions for Form 5330.

**Line 10a.**— If this plan was merged or consolidated or spunoff into another plan(s), or plan assets or liabilities were transferred to another plan(s), indicate which other plan or plans were involved.

**Line 10c.**— Enter the EIN of the sponsor (employer, if for a single-employer plan) of the other plan.

**Line 10e.**— Pension benefit plans must file **Form 5310-A**, Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities; Notice of Qualified Separate Lines of Business, at least 30 days before any plan merger or consolidation or any transfer of plan assets or liabilities to another plan.

**Caution:** *There is a penalty for not filing Form 5310-A on time.*

**Line 11. Funding Arrangement.**— Enter the code for the **funding arrangement** used by the plan for the plan year from the list below.

The “funding arrangement” is the method used during the plan year for the receipt, holding, investment, and transmittal of plan assets prior to the time the plan actually provides the benefits promised under the plan. For purposes of lines 11 and 12, the term “trust” includes any fund or account that receives, holds, transmits, or invests plan assets other than an account or policy of an insurance company.

**Note:** *An employee benefit plan that enters code 2, 3, or 5 on line(s) 11 and/or 12 must attach a **Schedule A (Form 5500)**, Insurance Information, to provide information pertaining to each contract year ending with or within the plan year. See the **Schedule A (Form 5500)** instructions.*

Plan Funding Arrangement	Codes
Trust .....	1
Trust and insurance .....	2
Insurance .....	3
Exclusively from general assets of sponsor (unfunded) .....	4
Partially insured and partially from general assets of sponsor .....	5
Other .....	6

**Line 12. Benefit arrangement.**— Enter the code for the **benefit arrangement** used by the plan for the plan year from the list below.

The “benefit arrangement” is the method by which benefits were actually provided by the plan during the plan year to participants. For example, if all participants received their benefits from a trust (as defined in the instructions for line 11 above), the plan's benefit arrangement code would be “1.” If some benefits come from a trust and some come from an insurance company, the code would be “2.” If all benefits were paid from an account or policy of an insurance company, the code would be “3.”

Plan Benefit Arrangement	Codes
Trust .....	1
Trust and insurance .....	2
Insurance .....	3
Exclusively from general assets of sponsor (unfunded) .....	4
Partially insured and partially from general assets of sponsor .....	5
Other .....	6

**Line 13.**— See instructions to Form 5500-R, line 9 on page 10.

**Line 14.**— If either the funding arrangement code (line 11) and/or the benefit arrangement code (line 12) is 2, 3, or 5, at least one

Schedule A (Form 5500) must be attached to the Form 5500-C filed for pension and welfare plans to provide information concerning the contract year ending with or within the plan year. Also see instructions to Form 5500-R, line 10 on page 10.

**Line 15a.**— If “Yes” is checked, attach Schedule B (Form 5500) to the Form 5500-C.

**Line 15b.**— If a waived funding deficiency is being amortized in the current plan year, do not complete lines 15b(1), (2), and (3), but complete lines 3, 8a, 9, and 10 of Schedule B (Form 5500). An enrolled actuary does not have to sign Schedule B under these circumstances.

**Line 15b(2).**— The date of last payment by employer refers to contributions for the plan year *being reported*. This date can be after the end of the plan year.

**Line 15b(3).**— Subtract line 15b(2) from line 15b(1). If zero or less, enter -0-. If greater than zero, enter the amount of the funding deficiency. File Form 5330 with the IRS to pay the excise tax on the funding deficiency.

**Caution:** *There is a penalty for not filing Form 5330 on time.*

**Line 16.**— The 1997 annual compensation limit under Code section 401(a)(17) is \$160,000.

**Line 17a(1).**— Check “Yes,” if the plan distributed any annuity contracts. Check “Yes” even if the plan was terminated.

**Line 17a(2).**— If “Yes” was checked for line 17a(1), the annuity contract must provide that all distributions from it will meet the participant and spousal consent requirements of Code section 417. However, consent is not needed for the distributions of the contract itself. If the contracts contained the Code section 417 requirements, check “Yes.”

**Line 17b.**— Generally, within the 90 days prior to the date of any benefit payment or the date a loan was made to a participant, you must get the spouse's consent to the payment of the benefit or the use of the accrued benefit to make the loan. However, there are some circumstances where obtaining this spousal consent is not required. The following is a partial listing of circumstances where spousal consent is not required:

1. The participant is not married and no former spouse is required to be treated as a current spouse under a qualified domestic relations order issued by a court.
2. The participant's nonforfeitable accrued benefit in the plan does not have a present value of more than \$3,500 (\$5,000 for plan years beginning after August 5, 1997) at the time of distribution.
3. The benefit is paid in the form of a qualified joint and survivor annuity (i.e., an annuity for the life of the participant with a survivor annuity for the life of the spouse that is not less than 50% of (and is not greater than 100% of) the amount of the annuity that is payable during the joint lives of the participant and the spouse). See Code section 417(b).
4. The payout is from a profit-sharing or stock bonus plan that pays the spouse the participant's full account balance upon the participant's death, an annuity payment is not elected by the participant, and the profit-sharing or stock bonus plan is not a transferee plan with respect to the participant (i.e., had not received a transfer from a plan that was subject to the consent requirements with respect to the participant).
5. The participant did not have service under the plan after August 22, 1984.

**Line 17c.**— A plan may not eliminate a subsidized benefit or a retirement option by plan amendment or plan termination.

**Line 18.**— See instructions to Form 5500-R, line 12c on page 10.

**Line 19.**— See instructions to Form 5500-R, line 12d on page 10.

**Line 20.**— The transition rule of Code section 412(l)(11) provides an alternative method of computing the additional required funding charge under section 412(l). For such an election to apply for the current plan year, check “Yes” for this line.

Defined contribution plans, defined benefit plans that are not subject to the minimum funding requirements of Code section 412, and defined benefit plans that are subject to the minimum funding requirements of section 412 but are multiemployer plans or plans with 100 or fewer participants should not answer question 20.

A plan has 100 or fewer participants only if there were 100 or fewer participants (both active and nonactive participants) on each day of the preceding plan year taking into account participants in all defined benefit plans maintained by the same employer who are also employees of that employer.

**Line 21.**— Check the box in 21 if you are relying on the substantiation guidelines in completing line 21. In addition, enter the first day of the plan year for which the coverage information is being submitted in line 21.

Revenue Procedure 93-42, 1993-2 C.B. 540, provides guidelines designed to reduce the burdens of substantiating compliance with the nondiscrimination provisions. Generally, Rev. Proc. 93-42 sets forth new guidelines for: (1) the quality of data used in substantiating compliance with the nondiscrimination rules, (2) the timing of nondiscrimination testing, (3) the identification of highly compensated employees, (4) the testing cycle of a plan, and (5) the qualified separate lines of business rules. The substantiation guidelines may be used in completing line 21.

In general, a plan must satisfy one of the coverage tests on each day of the year being tested. However, if the plan satisfies one of the tests on at least 1 day in each quarter of the year being tested, the plan will be deemed to pass the coverage tests for the entire year provided that the quarterly testing dates reasonably represent the coverage of the plan over the entire plan year. Complete line 21 for the testing date selected by the employer (typically the last day of the plan year). For an annual alternative testing option, see Income Tax Regulations section 1.410(b)-8(a)(4).

Multiemployer plans (Code C on line 4) and multiple-employer-collectively bargained plans (Code D on line 4), complete line 21 only if during the plan year the plan benefited employees who are not collectively bargained employees or more than 2% of the employees covered by the plan are professional employees. See Regulations sections 1.410(b)-6(d) and 1.410(b)-9 for the definitions of collectively bargained employee and professional employee. If the plan benefits noncollectively bargained employees, attach a separate statement completed in the same format as line 21, for each employer with noncollectively bargained employees benefiting under the plan as if such noncollectively bargained employees were benefiting under a separate plan. Do not complete line 21 for the portion of the plan benefiting collectively bargained employees. If more than 2% of the employees covered by a collectively bargained plan are professional employees, attach a separate statement completed in the same format as line 21, for each employer with employees benefiting under the plan as if all employees benefiting under the plan were noncollectively bargained employees.

Multiple-employer plan (other) filers (Code E on line 4) are not required to complete line 21. However, the participating employers in multiple-employer plan (other) pension benefit plans are required to complete the applicable questions in line 21 on the Form 5500-C/R that they file.

**Line 21a.**— In general, if the employer operated qualified separate lines of business within the meaning of Code section 414(r) for a year, the employer may apply the coverage and nondiscrimination requirements separately to employees in each separate line of business. If line 21a is “Yes,” complete lines 21b through 21o for the qualified separate line of business covered by the plan as if the employees of the qualified separate line of business were the sole employees of the employer. If this plan benefits employees in more than one qualified separate line of business, complete line 21 for one of the lines of business and for each additional line of business with employees benefiting under the plan, submit an attachment completed in the same format as line 21.

**Line 21c.**— Certain single plans must be disaggregated into two or more separate plans. Each of the disaggregated parts of the plan must then satisfy the coverage requirements under Code section 410(b) as if it were a separate plan. Under section 1.410(b)-7(c) of the regulations, the following plans must be disaggregated: (1) a plan that has a section 401(k) provision (a qualified cash or deferred arrangement (CODA)) and a provision that is not a 401(k) plan, (2) a plan that has a section 401(m) provision (employee and matching contributions) and a provision that is not a 401(m) provision, (3) a plan that has an ESOP provision and a provision that is not an ESOP, and (4) a plan that benefits both collectively and noncollectively bargained employees.

If any of the above apply to your plan, complete line 21 for one of the disaggregated plans, and for each additional part of the plan that must be disaggregated, submit an attachment completed in the same format as line 21.

**Line 21d.**— Employers can satisfy coverage by aggregating any qualified pension or profit-sharing plans that are not mandatorily disaggregated under the rules for item 21c above. However, the aggregated plan must also satisfy the nondiscrimination rules of Code section 401(a)(4) on an aggregated basis. Note that a special aggregation rule applies for the purposes of computing the average benefit percentage. See the instructions for line 21o(1) below. If the employer aggregates plans for the purposes of the coverage and nondiscrimination tests (other than for the purpose of computing the average benefit percentage), check this item “Yes,” and complete the rest of line 21 for the plans as aggregated.

**Line 21e.**— Income Tax Regulations section 1.401(a)(4)-9(c) allows an employer to restructure a plan into component plans in order to satisfy the coverage and discrimination tests. Check “Yes” if the employer is satisfying the coverage and discrimination tests by restructuring the plan, and do not complete the rest of line 21.

**Line 21f(1).**— Check this box if this plan benefited no highly compensated employees (within the meaning of Code section 414(q), as amended by section 1431 of the Small Business Job Protection Act of 1996 (SBJPA)). This box should be checked for plans under which no employee receives an allocation or accrues a benefit. See the instructions for line 21m for the definition of “benefiting.”

**Line 21f(2).**— See Regulations section 1.410(b)-6(d)(2) for the definition of collectively bargained employee and Regulations section 1.410(b)-9 for the definition of professional employee.

**Line 21g.**— Check “Yes” if any leased employee, within the meaning of Code section 414(n), performed services for the employer or any entity aggregated with the employer under Code sections 414(b), (c), or (m).

**Line 21h.**— Enter the total number of employees of the employer. Include all self-employed individuals, common law employees and leased employees, within the meaning of Code section 414(n), of any of the entities aggregated with the employer under Code sections 414(b), (c), or (m).

**Line 21i.**— Enter the total number of excludable employees in the following categories:

1. Employees who have not attained the minimum age and service requirements of the plan.

2. Collectively bargained employees.

3. Nonresident aliens who receive no U.S. source income.

4. Employees who fail to accrue a benefit solely because they:

- Fail to satisfy a minimum hour of service or a last day requirement under the plan,
- Do not have more than 500 hours of service for the plan year, and
- Are not employed on the last day of the plan year.

**Line 21k.**— See the instructions for line 21m for the definition of “benefiting.”

**Line 21l.**— The definition of highly compensated employee is contained in Code section 414(q), as amended by section 1431 of SBJPA, those regulations under section 414(q) that reflect current law, and Notice 97-45, 1997-33 I.R.B. 7.

**Line 21m.**— In general, an employee is “benefiting” if he or she receives an allocation of contributions or forfeitures, or accrues a benefit under the plan for the plan year. Certain other employees are treated as benefiting even if they fail to receive an allocation of contributions and/or forfeitures, or to accrue a benefit solely because the employee is subject to plan provisions that limit plan benefits, such as a provision for maximum years of service, maximum retirement benefits, or limits designed to satisfy Code section 415. An employee is treated as benefiting under a plan (or portion of a plan) that provides for elective contributions under Code section 401(k) if the employee is eligible to make elective contributions to the 401(k) plan even if he or she does not actually make elective contributions. Similarly, an employee is treated as benefiting under a plan (or portion of a plan) that provides for after-tax employee contributions or matching contributions under Code section 401(m) if the employee is eligible to make after-tax employee contributions or receive allocations of matching contributions even if none are actually made or received.

**Line 21o(1).**— A plan satisfies the average benefit test if it satisfies both the nondiscriminatory classification test and the average benefit percentage test.

A plan satisfies the nondiscriminatory classification test if the plan benefits such employees as qualify under a classification set up by the employer and found by the Secretary not to be discriminatory in favor of highly compensated employees. This test takes into account all relevant facts and circumstances, including: (1) the difference between the coverage percentages of the highly compensated employees and of the nonhighly compensated employees, (2) the percentage

of total employees covered, and (3) the difference between the compensation of those employees covered under the plan and those employees who are excluded from coverage under the plan. Under Income Tax Regulations section 1.410(b)-4, a classification will be deemed nondiscriminatory if the ratio in line 21o(2) below is equal to or greater than the safe harbor percentage. The safe harbor percentage is 50%, reduced by  $\frac{3}{4}$  of a percentage point for each percentage point by which the nonhighly compensated employee concentration percentage exceeds 60%. The nonhighly compensated employee concentration percentage is the percentage of all the employees of the employer who are not highly compensated employees.

In general, a plan satisfies the average benefit percentage test if the actual benefit percentage for nonhighly compensated employees is at least 70% of the actual benefit percentage for highly compensated employees. All qualified plans (or parts of plans) of the employer, including ESOPs, CODAs, and plans containing employee or matching contributions (Code section 401(k) or (m)) are aggregated in determining the actual benefit percentages. Do not aggregate plans that may not be aggregated for the purposes of satisfying the ratio percentage test, other than ESOPs and plans subject to Code section 401(k) or (m). In addition, all nonexcludable employees, including those with no benefit under any qualified plan of the employer, are included in determining the actual benefit percentages.

**Line 21o(2).**— In general, to compute the ratio divide the number of nonexcludable employees who benefit under the plan and are not highly compensated by the total number of nonexcludable nonhighly compensated employees; put this result in the numerator (top of the fraction). Divide the number of nonexcludable employees who benefit under the plan and who are highly compensated by the total number of nonexcludable highly compensated employees; put this result in the denominator (bottom of the fraction). Divide the numerator by the denominator, multiply by 100, and put the result on line 21o(2). Enter to the nearest 0.1%. If the result is 1000% or more, enter 999.9%.

**Line 22a.**— Check “Yes” if it is your intention that this plan qualify under Code section 401(a). Otherwise, check “No” and go to line 23a.

**Line 22b.**— If line 22a is “Yes,” and you have received a determination letter from the IRS, enter the date of the most recent determination letter received.

**Line 22c.**— Check “Yes” if you have applied for a determination letter from IRS but have not received a reply. Otherwise, check “No.”

**Line 23a.**— An accurate assessment of fair market value is essential to a plan's ability to comply with the requirements set forth in the Code (e.g., the exclusive benefit rule of Code section 401(a)(2), the limitations on benefits and contributions under Code section 415, and the minimum funding requirements under Code section 412). Examples of assets which may not have a readily determinable value on an established market include real estate, nonpublicly traded securities, shares in a limited partnership, and collectibles. Do not check “Yes” on line 23a if the plan is a defined contribution plan and the only assets the plan holds, which do not have a readily determinable value on an established market, are: (1) participant loans not in default, or (2) assets over which the participant exercises control within the meaning of section 404(c) of ERISA.

**Line 23b.**— Although the fair market value of plan assets must be determined each year, there is no requirement that the assets (other than certain nonpublicly traded employer securities held in ESOPs) be valued every year by independent third-party appraisers.

**Line 23c.**— Enter the fair market value of the assets referred to on line 23a which were not valued by an independent third-party appraiser in the 1997 plan year. See Rev. Rul. 59-60, 1959-1 C.B. 237, for guidance on determining fair market value.

**Line 23d.**— Enter the most recent date the assets referred to on line 23c were valued by an independent third-party appraiser. If the value of more than one asset is entered on line 23c, and these assets were most recently valued by an independent third-party appraiser on different dates, enter the earliest date.

**Line 25a.**— If you are uncertain whether the plan is covered under the PBGC termination insurance program, check the box “Not determined,” contact the PBGC, and request a coverage determination. Defined contribution plans and welfare plans do not complete this line.

**Line 26.**— Check “Yes” or “No.” **“N/A” may not be used as an answer.** A “Yes” answer requires the total amount to be entered in the amount column. Round off all amounts to the nearest dollar.

**Line 26a.**— Check “Yes” and indicate the aggregate amount of coverage available for all claims if every plan official who handles plan funds is covered by a bond. Otherwise, check “No.” Generally, every plan official of an employee benefit plan who “handles” funds or other property of such plan must be bonded. A plan administrator, officer, or employee 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 2580 provide 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 2580, Subpart C), and certain exemptions such as the exemption for unfunded plans, 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).

Check “Yes” only if the plan itself (as opposed to the plan sponsor or administrator) is a named insured under a fidelity bond covering plan officials and if the plan is protected as described in 29 CFR 2580.412-18.

Plans are permitted under certain conditions to purchase fiduciary liability insurance. These policies do not protect the plan from dishonest acts and are not bonds that should be reported on line 26.

**Line 26c.**— If line 26a is answered “Yes,” item 26c must be answered. Check line 26c “Yes” if the plan has suffered or discovered any loss as the result of a dishonest or fraudulent act(s). If “Yes,” enter the full amount of the loss. If the full amount of the loss has not yet been determined, provide and disclose that the figure is an estimate, such as “Approximately \$1,000.”

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

**Line 26d.**— For purposes of line 26, the term “employer” includes affiliates of the employer. In determining the five most highly paid

employees, use all compensation paid including cash, bonuses, and noncash payments (e.g., the use of a car). A fiduciary is a person with respect to a plan to the extent: (1) he or she exercises any discretionary authority or discretionary control with respect to the management of such plan or exercises any authority or control with respect to the management or disposition of its assets, (2) he or she renders investment advice for a fee or other compensation, direct or indirect, with respect to any monies or other property of such plan, or has any authority or responsibility to do so, or (3) he or she has any discretionary authority or discretionary responsibility in the administration of such plan.

“Relatives” include spouses, siblings, ancestors, lineal descendants (e.g., children, grandchildren, etc.), and spouses of lineal descendants. If line 26d is answered “Yes,” enter the total amount of these transactions.

**Line 26e.**— See the instructions for line 26d above for the definitions of the parties involved. If line 26e is answered “Yes,” enter the total amount of the transactions.

**Line 26f.**— An “employer security” is a security issued by an employer (including affiliates) of employees covered by the plan. These may include common stocks, preferred stocks, bonds, zero coupon bonds, debentures, convertible debentures, notes, and commercial paper.

Employer real property is any real property (and related personal property) owned by the plan and leased to the employer of employees covered by the plan. This may include land, warehouses, office buildings, etc. If line 26f is checked “Yes,” enter the total amount of employer securities and/or employer real property held or acquired.

**Line 26g.**— Generally, a loan requires that both the principal and interest be paid according to a pre-established repayment schedule. If the principal and/or interest has not been paid in accordance with the original repayment schedule and the period for repayment of the principal and/or interest has been extended, or the loan has been renegotiated after it has not met the original repayment schedule, check “Yes,” and enter the total amount of the delinquent loan. Otherwise, check “No.”

**Line 26h.**— See instructions to Form 5500-R, line 15h on page 11.

**Line 26i.**— Check “Yes” for obligations if the required payments have not been made by the due date. With respect to notes and loans, the due date, payment amount, and conditions for default are usually contained in the note or loan document. Defaults can occur at any time for those obligations that require periodic repayment. Generally, loans and fixed income obligations are considered uncollectible when payment has not been made and there is little probability that payment will be made. A loan by the plan is in default when the borrower is unable to pay the obligation upon maturity. A fixed income obligation has a fixed maturity date at a specified interest rate. If line 26i is checked “Yes,” enter the total amount of loans by the plan or fixed income obligations that are uncollectible or in default as of the plan year end.

**Line 26j.**— Consider all fiduciaries and parties providing services to the plan, including: (1) persons who are fiduciaries by reason of their relationship to a master trust investment account or 103-12 IE in which the plan has an interest or the assets in such an investment account or 103-12 IE; and (2) parties providing services rendered with respect to assets held in master trusts and 103-12 IEs.

See the instructions for line 26d above for the definition of fiduciary.

**Line 26k.**— Include as a single security all securities of the same issue. An example of a single issue is a certificate of deposit issued by XYZ Bank on July 1, 1997, which matures June 30, 1997, and yields 6.5%. For the purposes of line 26k, do not check "Yes" for securities issued by the U.S. Government or its agencies. If line 26k is checked "Yes," enter the total.

**Line 26l.**— In determining the 20% figure, subtract the current value of plan assets held in any master trust or 103-12 IE from the current value of the plan's total assets at the beginning of the plan year. Check "Yes" if the plan had:

1. A single transaction within the plan year in excess of 20% of the current value of the plan assets;

2. Any series of transactions with (or in conjunction with) the same person, involving property other than securities, that amount in the aggregate within the plan year (regardless of the category of asset and the gain or loss on any transaction) to more than 20% of the current value of plan assets;

3. Any transaction within the plan year involving securities of the same issue if within the plan year any series of transactions with respect to such securities amount in the aggregate to more than 20% of the current value of the plan assets; or

4. Any transaction within the plan year with respect to securities with, or in conjunction with, a person if any prior or subsequent single transaction within the plan year with such person, with respect to securities, exceeds 20% of the current value of plan assets. The 20% figure is determined by comparing the current value of the transaction at the transaction date with the current value of the plan assets at the beginning of the plan year. (See 29 CFR 2520.103-6 and substitute "20%" whenever "5%" appears in the regulation.)

If the assets of two or more plans are maintained in one trust, the plan's allocable portion of the transactions of the trust shall be combined with the other transactions of the plan, if any, to determine which transactions (or series of transactions) are reportable (20%) transactions.

**Exception:** For investments in common/collective trusts, pooled separate accounts, 103-12 IEs, and registered investment companies, determine the 20% figure by comparing the transaction date value of the acquisition and/or disposition of units of participation or shares in the entity with the current value of the plan assets at the beginning of the plan year. Check "No" if all plan funds are held in a master trust. Do not include individual transactions of common/collective trusts, pooled separate accounts, 103-12 IEs, and registered investment companies.

If line 26l is answered "Yes," enter the amount.

**Line 26m.**— Check "No" if the plan received all of its contributions in cash. Generally, for this question, an appraisal by an unrelated third party is an evaluation of the value of the asset contributed prepared by an individual or firm who knows how to judge the value of the asset and does not have an ongoing relationship with the plan or plan fiduciaries except for preparing the appraisal. If item 26m is checked "Yes," enter the value of the asset as established by the plan.

**Line 26n.**— Nonpublicly traded securities are generally held by few people and not traded on a stock exchange. Generally, for this question, an appraisal by an unrelated third party is an evaluation of the value of the security prepared by an individual or firm who knows how to judge the value of the security and does not have an ongoing relationship with the plan or plan fiduciaries except for preparing the appraisal. If line 26n is answered "Yes," enter the value of the security as established by the plan.

**Line 26o.**— You must check "Yes," if any benefits were not timely paid or not paid in full.

**Lines 27 and 28.**— You can use either the cash, modified accrual, or accrual basis for recognition of transactions on lines 27 and 28 as long as you use one method consistently.

"Current value" means fair market value where available. Otherwise, it means the fair value as determined in good faith under the terms of the plan by a trustee or a named fiduciary, assuming an orderly liquidation at the time of the determination.

If the assets of two or more plans are maintained in one trust, such as when an employer has two plans that are funded through a single trust (except investment arrangements filing with DOL as specified on pages 6 and 7), complete lines 27 and 28 by entering the plan's allocable part of each line item.

If assets of one plan are maintained in two or more trust funds, report the combined financial information on lines 27 and 28.

Total plan assets at the beginning of the plan year plus net income (loss) at the end of the plan year (line 28k) must equal the total plan assets at the end of the plan year.

A fully insured pension plan meeting the conditions of 29 CFR 2520.104-44 need not complete lines 27 and 28. For more details, see page 11 of the instructions for lines 13 and 14.

**Line 27.**— Plan assets may include, among other things:

1. Cash, both interest and noninterest bearing. This includes all cash on hand or in a financial institution including money market funds.

2. All contributions due to the plan from the employer and participants, income earned, but not yet received by the plan, and receivables from any other source.

**Note:** Contributions designated for the 1997 plan year may not be included in column (a).

3. Investment securities (stocks, bonds, U.S. Government obligations, municipal obligations, etc.); real and personal property (land, buildings, gold, furniture, equipment, etc.); loans (mortgages, promissory notes, etc.); and all other investments (certificates of deposit, repurchase agreements, land contracts, units of participation in common/collective trusts and pooled separate accounts, shares of registered investment companies (mutual funds), interests in master trusts and 103-12 IEs, etc.).

Plans holding units of participation in common/collective trusts and/or pooled separate accounts must attach to the return/report either the statement of assets and liabilities of the common/collective trust and/or pooled separate account or the certification discussed on page 4 of these instructions. For details, see 29 CFR sections 2520.103-3, 2520.103-4, 2520.103-5, and 2520.103-9.

Plans in a master trust must include the value of the plan's interest in the master trust that is the sum of the net values of the plan's

interest in all of the master trust investment accounts (see page 4 for the definition of master trust investment account). The net values of such interests are obtained by multiplying the plan's percentage interest in each master trust investment account by the net assets of the investment account (total assets minus total liabilities) at the beginning and end of the plan year.

**Line 27c.**— Investments in securities of the U.S. Government should be included on line 27c(1).

You can use the same method for determining the value of the insurance contracts reported on line 27 that you used for line 6e of the Schedule A (Form 5500) as long as the contract values are stated as of the beginning and end of the plan year.

Liabilities include among other things:

1. Benefit claims payable—claims that have been processed and approved for payment but have not been paid.

2. Accounts payable—obligations owed by the plan that were incurred in the normal operations of the plan and have been approved for payment but not been paid.

3. Other liabilities—such as acquisition indebtedness and any other amount owed by the plan.

Liabilities do not include the value of future pension payments.

**Line 27g.**— Enter total amount of claims that have been processed and approved for payment directly from the trust but have not been paid. Do not include the value of future pension payments.

**Line 27h. Acquisition indebtedness.**— Acquisition indebtedness, for debt-financed property other than real property, means the outstanding amount of the principal debt incurred:

1. By the organization in acquiring or improving the property;

2. Before the acquisition or improvement of the property if the debt was incurred only to acquire or improve the property; or

3. After the acquisition or improvement of the property if the debt was incurred only to acquire or improve the property and was reasonably foreseeable at the time of such acquisition or improvement.

For further explanation, see Code section 514(c).

**Line 27k.**— Column (b) must equal the sum of column (a) plus line 28k.

**Line 28a(1).**— If the plan is on the accrual basis, enter the amount of contributions received or accrued.

**Line 28b.**— Show current value, at date contributed, of securities or other noncash property contributed to the plan.

**Line 28e.**— Other income includes unrealized appreciation (depreciation) in plan assets. To compute this amount, subtract the current value of all assets at the beginning of the year plus the cost of any assets acquired during the plan year from the current value of all assets at the end of the year minus assets disposed of during the plan year. A negative figure should be shown in parentheses.

**Line 28g.**— If distributions include securities or other property, show the current value at date distributed in this figure.

**Line 28h.**— Report all administrative expenses paid by or charged to the plan, including those that were not subtracted from the gross income of master trust investment accounts and 103-12 IEs in determining their net investment gain(s) or loss(es).



# Codes for Principal Business Activity and Principal Product or Service

These industry titles and definitions are based, in general, on the Enterprise Standard Industrial Classification System authorized by the Regulatory and Statistical Analysis Division, Office of Information and Regulatory Affairs, Office of Management and Budget, to classify enterprises by type of activity in which they are engaged.

## AGRICULTURE, FORESTRY, AND FISHING

*Code*  
0120 Field crop.  
0150 Fruit, tree nut, and vegetable.  
0180 Horticultural specialty.  
0230 Livestock.  
0270 Animal specialty.

### Agricultural services and forestry:

0740 Veterinary services.  
0750 Animal services, except veterinary.  
0780 Landscape and horticultural services.  
0790 Other agricultural services.  
0800 Forestry.

### Farms:

### Fishing, hunting, and trapping:

0930 Commercial fishing, hatcheries, and preserves.  
0970 Hunting, trapping, and game propagation.

## MINING

### Metal mining:

1010 Iron ores.  
1070 Copper, lead and zinc, gold and silver ores.  
1098 Other metal mining.  
1150 Coal mining.

### Oil and gas extraction:

1330 Crude petroleum, natural gas, and natural gas liquids.  
1380 Oil and gas field services.

### Nonmetallic minerals (except fuels) mining:

1430 Dimension, crushed and broken stone; sand and gravel.  
1498 Other nonmetallic minerals, except fuels.

## CONSTRUCTION

### General building contractors and operative builders:

1510 General building contractors.  
1531 Operative builders.

### Heavy construction contractors:

1611 Highway and street construction.  
1620 Heavy construction, except highway.

### Special trade contractors:

1711 Plumbing, heating, and air conditioning.  
1721 Painting, paperhanging, and decorating.  
1731 Electrical work.  
1740 Masonry, stonework, and plastering.  
1750 Carpentering and flooring.  
1761 Roofing and sheet metal work.  
1771 Concrete work.  
1781 Water well drilling.  
1790 Miscellaneous special trade contractors.

## MANUFACTURING

### Food and kindred products:

2010 Meat products.  
2020 Dairy products.  
2030 Preserved fruits and vegetables.  
2040 Grain mill products.  
2050 Bakery products.  
2060 Sugar and confectionary products.  
2081 Malt liquors and malt.  
2088 Alcoholic beverages, except malt liquors and malt.  
2089 Bottled soft drinks and flavorings.  
2096 Other food and kindred products.  
2100 Tobacco manufacturers.

### Textile mill products:

2228 Weaving mills and textile finishing.  
2250 Knitting mills.  
2298 Other textile mill products.

### Apparel and other textile products:

2315 Men's and boys' clothing.

*Code*  
2345 Women's and children's clothing.  
2388 Hats, caps, millinery, fur goods, and other apparel and accessories.  
2390 Misc. fabricated textile products.

### Lumber and wood products:

2415 Logging camps and logging contractors, sawmills, and planing mills.  
2430 Millwork, plywood, and related products.  
2498 Other wood products, including wood buildings and mobile homes.  
2500 Furniture and fixtures.

### Paper and allied products:

2625 Pulp, paper, and board mills.  
2699 Other paper products.

### Printing, publishing, and allied industries:

2710 Newspapers.  
2720 Periodicals.  
2735 Books, greeting cards, and miscellaneous publishing.  
2799 Commercial and other printing, and printing trade services.

### Chemical and allied products:

2815 Industrial chemicals, plastics materials, and synthetics.  
2830 Drugs.  
2840 Soap, cleaners, and toilet goods.  
2850 Paints and allied products.  
2898 Agricultural and other chemical products.

### Petroleum refining and related industries (including those integrated with extraction):

2910 Petroleum refining (including those integrated with extraction).  
2998 Other petroleum and coal products.

### Rubber and miscellaneous plastics products:

3050 Rubber products, plastics footwear, hose, and belting.  
3070 Misc. plastics products.

### Leather and leather products:

3140 Footwear, except rubber.  
3198 Other leather and leather products.

### Stone, clay, glass, and concrete products:

3225 Glass products.  
3240 Cement, hydraulic.  
3270 Concrete, gypsum, and plaster products.  
3298 Other nonmetallic mineral products.

### Primary metal industries:

3370 Ferrous metal industries; miscellaneous primary metal products.  
3380 Nonferrous metal industries.

### Fabricated metal products, except machinery and transportation equipment:

3410 Metal cans and shipping containers.  
3428 Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products.  
3430 Plumbing and heating, except electric and warm air.  
3440 Fabricated structural metal products.  
3460 Metal forgings and stampings.  
3470 Coating, engraving, and allied services.  
3480 Ordnance and accessories, except vehicles and guided missiles.  
3490 Miscellaneous fabricated metal products.

### Machinery, except electrical:

3520 Farm machinery.  
3530 Construction, mining and materials handling machinery, and equipment.  
3540 Metalworking machinery.  
3550 Special industry machinery, except metalworking machinery.  
3560 General industrial machinery.  
3570 Office, computing, and accounting machines.

*Code*  
3598 Engines and turbines, service industry machinery, and other machinery, except electrical.

### Electrical and electronic machinery, equipment, and supplies:

3630 Household appliances.  
3665 Radio, television, and communication equipment.  
3670 Electronic components and accessories.  
3698 Other electric equipment.

### Transportation equipment:

3710 Motor vehicles and equipment.  
3725 Aircraft, guided missiles, and parts.  
3730 Ship and boat building and repairing.  
3798 Other transportation equipment.

### Measuring and controlling instruments; photographic and medical goods, watches and clocks:

3815 Scientific instruments and measuring devices; watches and clocks.  
3845 Optical, medical, and ophthalmic goods.  
3860 Photographic equipment and supplies.  
3998 Other manufacturing products.

## TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, SANITARY SERVICES

### Transportation:

4000 Railroad transportation.

### Local and interurban passenger transit:

4121 Taxicabs.  
4189 Other passenger transportation.

### Trucking and warehousing:

4210 Trucking, local and long distance.  
4289 Public warehousing and trucking terminals.

### Other transportation including transportation services:

4400 Water transportation.  
4500 Transportation by air.  
4600 Pipelines, except natural gas.  
4722 Passenger transportation arrangement.  
4723 Freight transportation arrangement.  
4799 Other transportation services.

### Communication:

4825 Telephone, telegraph, and other communication services.  
4830 Radio and television broadcasting.

### Electric, gas, and sanitary services:

4910 Electric services.  
4920 Gas production and distribution.  
4930 Combination utility services.  
4990 Water supply and other sanitary services.

## WHOLESALE TRADE

### Durable:

5010 Motor vehicles and automotive equipment.  
5020 Furniture and home furnishings.  
5030 Lumber and construction materials.  
5040 Sporting, recreational, photographic, and hobby goods, toys, and supplies.  
5050 Metals and minerals, except petroleum and scrap.  
5060 Electrical goods.  
5070 Hardware, plumbing, and heating equipment.  
5083 Farm machinery and equipment.  
5089 Other machinery, equipment, and supplies.  
5098 Other durable goods.

### Nondurable:

5110 Paper and paper products.  
5129 Drugs, drug proprietaries, and druggists' sundries.  
5130 Apparel, piece goods, and notions.  
5140 Groceries and related products, except meats and meat products.  
5147 Meats and meat products.  
5150 Farm product raw materials.  
5160 Chemicals and allied products.  
5170 Petroleum and petroleum products.  
5180 Alcoholic beverages.  
5190 Miscellaneous nondurable goods.

<b>RETAIL TRADE</b>	<i>Code</i>	<i>Code</i>
<i>Code</i>	5962 Merchandising machine operators.	<b>Personal services:</b>
<b>Building materials hardware, garden supply, and mobile home dealers:</b>	5963 Direct selling organizations.	7215 Coin-operated laundries and dry cleaning.
5211 Lumber and other building materials dealers.	5982 Fuel and ice dealers (except fuel oil and bottle gas dealers).	7219 Other laundry, cleaning, and garment services.
5231 Paint, glass, and wallpaper stores.	5983 Fuel oil dealers.	7221 Photographic studios, portrait.
5251 Hardware stores.	5984 Liquefied petroleum gas (bottled gas).	7231 Beauty shops.
5261 Retail nurseries and garden stores.	5992 Florists.	7241 Barber shops.
5271 Mobile home dealers.	5993 Cigar stores and stands.	7251 Shoe repair and hat cleaning shops.
<b>General merchandise:</b>	5994 News dealers and newsstands.	7261 Funeral services and crematories.
5331 Variety stores.	5996 Other miscellaneous retail stores.	7299 Miscellaneous personal services.
5398 Other general merchandise stores.	<b>FINANCE, INSURANCE, AND REAL ESTATE</b>	<b>Business services:</b>
<b>Food stores:</b>	<b>Banking:</b>	7310 Advertising.
5411 Grocery stores.	6030 Mutual savings banks.	7340 Services to buildings.
5420 Meat and fish markets and freezer provisioners.	6060 Banking holding companies.	7370 Computer and data processing services.
5431 Fruit stores and vegetable markets.	6090 Banks, except mutual savings banks and bank holding companies.	7392 Management, consulting, and public relations services.
5441 Candy, nut, and confectionary stores.	<b>Credit agencies other than banks:</b>	7394 Equipment rental and leasing.
5451 Dairy products stores.	6120 Savings and loan associations.	7398 Other business services.
5460 Retail bakeries.	6140 Personal credit institutions.	<b>Automotive repair and services:</b>
5490 Other food stores.	6150 Business credit institutions.	7510 Automotive rentals and leasing, without drivers.
<b>Automotive dealers and service stations:</b>	6199 Other credit agencies.	7520 Automobile parking.
5511 New car dealers (franchised).	<b>Security, commodity brokers, dealers, exchanges, and services:</b>	7531 Automobile top and body repair shops.
5521 Used car dealers.	6212 Security underwriting syndicates.	7538 General automobile repair shops.
5531 Auto and home supply stores.	6218 Security brokers and dealers, except underwriting syndicates.	7539 Other automobile repair shops.
5541 Gasoline service stations.	6299 Commodity contract brokers and dealers; security and commodity exchanges; and allied services.	7540 Automobile services, except repair.
5551 Boat dealers.	<b>Insurance:</b>	<b>Miscellaneous repair services:</b>
5561 Recreational vehicle dealers.	6355 Life insurance.	7622 Radio and TV repair shops.
5571 Motorcycle dealers.	6356 Mutual insurance, except life or marine and certain fire or flood insurance companies.	7628 Electrical repair shops, except radio and TV.
5599 Aircraft and other automotive dealers.	6359 Other insurance companies.	7641 Reupholstery and furniture repair.
<b>Apparel and accessory stores:</b>	6411 Insurance agents, brokers, and services.	7680 Other miscellaneous repair shops.
5611 Men's and boys' clothing and furnishings.	<b>Real estate:</b>	<b>Motion pictures:</b>
5621 Women's ready-to-wear stores.	6511 Real estate operators (except developers) and lessors of buildings.	7812 Motion picture production, distribution, and services.
5631 Women's accessory and specialty stores.	6516 Lessors of mining, oil, and similar property.	7830 Motion picture theaters.
5641 Children's and infants' wear stores.	6518 Lessors of railroad property and other real property.	<b>Amusement and recreation services:</b>
5651 Family clothing stores.	6531 Real estate agents, brokers, and managers.	7920 Producers, orchestras, and entertainers.
5661 Shoe stores.	6541 Title abstract offices.	7932 Billiard and pool establishments.
5681 Furriers and fur shops.	6552 Subdividers and developers, except cemeteries.	7933 Bowling alleys.
5699 Other apparel and accessory stores.	6553 Cemetery subdividers and developers.	7980 Other amusement and recreation services.
<b>Furniture, home furnishings, and equipment stores:</b>	6599 Other real estate.	<b>Medical and health services:</b>
5712 Furniture stores.	6611 Combined real estate, insurance, loans, and law offices.	8011 Offices of physicians.
5713 Floor covering stores.	<b>Holding and other investment companies:</b>	8021 Offices of dentists.
5714 Drapery, curtain, and upholstery stores.	6742 Regulated investment companies.	8031 Offices of osteopathic physicians.
5719 Home furnishings, except appliances.	6743 Real estate investment trusts.	8041 Offices of chiropractors.
5722 Household appliance stores.	6744 Small business investment companies.	8042 Offices of optometrists.
5732 Radio and television stores.	6749 Holding and other investment companies, except bank holding companies.	8048 Registered and practical nurses.
5733 Music stores.	<b>SERVICES</b>	8050 Nursing and personal care facilities.
<b>Eating and drinking places:</b>	<b>Hotels and other lodging places:</b>	8060 Hospitals.
5812 Eating places.	7012 Hotels.	8071 Medical laboratories.
5813 Drinking places.	7013 Motels, motor hotels, and tourist courts.	8072 Dental laboratories.
<b>Miscellaneous retail stores:</b>	7021 Rooming and boarding houses.	8098 Other medical and health services.
5912 Drug stores and proprietary stores.	7032 Sporting and recreational camps.	<b>Other services:</b>
5921 Liquor stores.	7033 Trailer parks and camp sites.	8111 Legal services.
5931 Used merchandise stores.	7041 Organizational hotels and lodging houses on a membership basis.	8200 Educational services.
5941 Sporting goods stores and bicycle shops.		8911 Engineering and architectural services.
5942 Book stores.		8932 Certified public accountants.
5943 Stationery stores.		8933 Other accounting, auditing, and bookkeeping services.
5944 Jewelry stores.		8999 Other services not classified elsewhere.
5945 Hobby, toy, and game shops.		<b>TAX-EXEMPT ORGANIZATIONS</b>
5946 Camera and photographic supply stores.		9002 Church plans making an election under section 410(d) of the Internal Revenue Code.
5947 Gift, novelty, and souvenir shops.		9319 Other tax-exempt organizations.
5948 Luggage and leather goods stores.		9904 Governmental instrumentality or agency.
5949 Sewing, needlework, and piece goods stores.		
5961 Mail order houses.		

