

PUBLIC SUBMISSION

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PROPOSED IMPLEMENTATION OF SECURE ACT REVISIONS TO FORM 5500
EMPLOYEE BENEFIT PLAN REPORTS

Comment On: EBSA-2021-0006-0002

Annual Information Return/Reports

Submitter Information

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General Comment

RIN 1210-AB97

In reference to "G. Change to Participant-Count Methodology for Determining Independent Qualified Public Accountant Audit Requirement for Individual Account Plans," there are a few concerns that I notice with the proposed changes.

If the requirements are to include only participants with account balances, many smaller plans (with under 100 participants) will be excluded from an audit. I have noticed that the larger plans with more participants tend to have fewer significant issues and errors. I believe this is because they have more resources to monitor their process, therefore avoiding any major issues that would be discovered by the audit. This is not the case, however, with the smaller plans who have more than 100 eligible but less than that participating.

I also believe that the proposed change could cause plans to fail to educate employees about the 401K plan in order to keep the number of participants under the threshold of the audit requirement.

I believe the same result could be achieved by subtracting the part time participants from those otherwise eligible to get the audit requirement count so that the methodology would not be changed.