

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

Change to Participant-Count Methodology for IQPA Audit Waiver

The Agencies are proposing to change the rules with respect to determining whether a plan can qualify for the small plan audit waiver under 29 CFR 2520.104-51. Under the present methodology, any employee eligible to participate in the plan is included in the count irrespective of whether that employee has accrued any benefits or received any contributions. The Proposal would modify these rules for defined contribution plans by only including participants and beneficiaries who have an account balance.

As past TPA business owner and TPA consultant, I whole-heartedly agree with the proposed change.

There are many "large plans" that are essentially running as a small plan because the low participant count with balances or terminated employees with account balances. The added expense causes these plans to shut down because of the additional cost.

I personally take offense with the comments from the CPA community. As TPA's we take our job and responsibility to our clients and participants very seriously and provide excellent service, we provide the same due diligence in our data collection and review whether our client has 10 employees or 500 employees.

Once again, I support the recommendation that the Agencies adopt the proposed change to the participant counting methodology so that only participants and beneficiaries with account balances are considered active participants for purposes of qualifying for the small plan audit waiver.