

## **New Multiemployer Reporting and Disclosure Requirements**

---

*The Pension Protection Act of 2006 (PPA) requires multiemployer pension plans to provide new information as attachments in the Schedule R of the Form 5500. In addition, multiemployer plans must furnish similar information in a report to all unions and participating employers no later than 30 days after the filing due date for the Form 5500. These additional reporting and disclosure requirements are described in more detail below.*

*Much of the newly-required information may be challenging for some plan administrators to obtain. Therefore, plan administrators are encouraged to begin working as soon as possible with their legal counsel, auditors, and actuaries to determine how best to comply with the new requirements.*

---

### **Due Dates for Calendar Plan Years**

The additional reporting requirements first apply to the 2008 plan year. Due dates for the additional information are shown below for a multiemployer plan with a calendar plan year.

<i>Due dates for calendar plan years</i>	Without extension	With 2 ½ month extension
Form 5500	July 31, 2009	October 15, 2009
Summary Plan Information (30 days after Form 5500 due date)	August 30, 2009	November 14, 2009

### **Attachment to Schedule R of the 2008 Form 5500**

As required under section 103(f)(2) of ERISA, multiemployer plans must furnish additional information beginning with the 2008 plan year. According to the instructions for the 2008 Form 5500, the following is the information required as an *attachment* to Schedule R. Note that the Schedule R of the Form 5500 will be updated for 2009, so that much of this information can be included directly on the form.

- I. Multiemployer plans that were operating in “endangered status,” “seriously endangered status,” or “critical status” for the 2008 plan year must provide summaries of their funding improvement plans or rehabilitation plans, as applicable. The summary document must contain the following:
  1. Identifying information for the plan, such as plan name, the plan sponsor name, and plan EIN.
  2. The plan in effect as of the end of the plan year (whether the original funding improvement plan or rehabilitation plan, or as modified).
  3. A description of the various contribution and benefit schedules that are being provided to the bargaining parties. (For years after 2008, updates to the schedules must be provided.)
  4. A description of any other actions that are being taken in connection with the funding improvement plan or rehabilitation plan, such as use of the shortfall method or amortization extensions.
  5. A schedule of expected progress for the funded percentage or other relevant factors.

6. If applicable, for plans in critical status, describe the alternatives considered, explain why the plan is not reasonably expected to emerge from critical status by the end of the rehabilitation period, and specify when, if ever, the plan is expected to emerge from critical status in accordance with the rehabilitation plan.

II. ALL multiemployer plans must provide the following information:

1. The total number of employers obligated to contribute to the plan in 2008.
2. Identifying information for each employer contributing more than 5 percent of the plan's total contributions during 2008, including the employer name, EIN, contribution dollar amount, collective bargaining agreement expiration date(s), and contribution rate(s).
3. The number of participants on whose behalf no contributions were made by an employer for the 2008, 2007, and 2006 plan years. In other words, the number of inactive participants from employers that had withdrawn from the plan for the current and 2 preceding plan years. This should not include any terminated vested or retired participants from employers that are still participating.
4. Two ratios, as described below. Count all participants whose employers have withdrawn, as well as terminated vested or retired participants of employers that are still active in the plan. Do not include withdrawal liability payments as contributions for this purpose.
  - a. Ratio: The number of participants on whose behalf no employer had an obligation to contribute during the 2008 plan year, to the corresponding number for the 2007 plan year.
  - b. Ratio: The number of participants on whose behalf no employer had an obligation to contribute during the 2008 plan year, to the corresponding number for the 2006 plan year.
5. The number of employers that withdrew during 2007 (if any) and the aggregate amount of withdrawal liability assessed against these employers. If the amounts of the assessments are still being determined, include estimates.
6. If a merger or transfer of liabilities or assets occurred during the 2008 plan year, provide identifying information for the other plans involved with the merger or transfer. For each plan, including this plan, report the actuarial valuation of the total assets and liabilities for the 2007 plan year, based on the most recent data available as of the day before the first day of the 2008 plan year.

III. Multiemployer plans with at least 1,000 participants as of the beginning of 2008 (line 2b(4), column 1 on the Schedule MB) must provide the following information regarding plan assets:

1. The distribution of assets among various categories – stocks, investment grade debt instruments, high-yield debt instruments, real estate, and other asset classes – based on the fair market value of assets as of the beginning of the plan year. Percentages should be expressed to the nearest whole percent and should add to 100 percent. Assets held in master trusts should be disaggregated among the five categories, unlike on the Schedule H.
2. The average duration of the plan's debt portfolio, based on 3-year categories.

**Additional Report to Unions and Employers**

As required under section 104(d) of ERISA, multiemployer plans must also provide “summary plan information” to each employee organization (i.e., union) and to each employer with an obligation to contribute to the plan. The report is due 30 days after the due date for the Form 5500, and it must contain the following information. Note that the information required in this report – with the exception of item (I) – is also required to be provided on Schedule R of the Form 5500.

- (A) A description of the contribution schedules and benefit formulas under the plan, and any modification to such schedules and formulas during such plan year.
- (B) The number of employers obligated to contribute to the plan.
- (C) A list of the employers that contributed more than 5 percent of the total contributions to the plan during such plan year.
- (D) The number of participants under the plan on whose behalf no contributions were made by an employer for such plan year and for each of the 2 preceding plan years.
- (E) For plans in endangered status or critical status for the plan year, (i) a list of the actions taken by the plan to improve its funded status, and (ii) a statement describing how a person may obtain a copy of the plan’s funding improvement plan or rehabilitation plan, as applicable.
- (F) The number of employers that withdrew from the plan during the preceding plan year and the aggregate amount of the withdrawal liability assessed (or estimated to be assessed) against withdrawn employers.
- (G) In the case of a multiemployer plan that has merged with another plan or to which assets or liabilities have been transferred, the actuarial valuation of the assets and liabilities of each affected plan during the year preceding the effective date of the merger or transfer.
- (H) A description of whether the plan (i) sought or received an amortization extension for the plan year, or (ii) used the shortfall funding method for the plan year.
- (I) Notification of the right of the recipient to a copy of the annual report (i.e., Form 5500), summary plan description, summary of any material modification of the plan, upon written request. However, (i) in no case shall a recipient be entitled to receive more than one copy of any such document during a 12-month period, and (ii) the administrator may make a reasonable charge to cover copying, mailing and other costs associated with providing such documents.

*Horizon Actuarial Services, LLC does not practice law, nor do we provide tax advice. Please consult with your legal counsel or tax advisor for information specific to your plan’s legal or tax implications.*

*Horizon Actuarial Services, LLC is an independent consulting firm specializing in providing actuarial and consulting services to multiemployer benefit plans. For more information on our company or to contact us for additional information, please visit our website at [www.horizonactuarial.com](http://www.horizonactuarial.com).*