



December 2011

## **IRS Finalizes Form 8955-SSA**

### ***Reporting Terminated Vested Participants to the Social Security Administration (SSA)***

The IRS recently finalized the 2009 and 2010 versions of the new Form 8955-SSA, which reports vested terminated participants to the Social Security Administration. These new forms replace the previous version that was part of the Form 5500 filing process. Since Form 8955-SSA includes Social Security Numbers, it can no longer be filed with Form 5500, which is e-filed and available for public viewing on the DOL's EBSA website.

Form 8955-SSA must still be submitted to the IRS as a traditional paper filing. We have reviewed how to make this process as simple as possible and have outlined the steps below. There are two sets of steps, since we must first catch up on required filings for the 2009 and 2010 plan years.

Kravitz will be working with each client to ensure these forms are filed timely with the IRS. We will send emails to clients needing these forms starting this month.

#### **Steps To File Form 8955-SSA for 2009-2010**

1. Kravitz will send you an email with a PDF of each form needed for 2009 and/or 2010.
2. Please print two copies of each form, and have the appropriate person as Plan Administrator sign each copy. Please mail one copy to the IRS and send one copy back to Kravitz.

#### **Steps To File Form 8955-SSA for 2011 Onwards**

1. Kravitz will send this form along with the regular 5500 filing.
2. The appropriate person as Plan Administrator will sign this form along with the 5500, and the 5500 e-filing authorization.
3. All the forms can be scanned and emailed back to Kravitz as usual. We will submit the 8955-SSA to the IRS (return receipt requested) when we e-file the 5500.

## Participant Notice Requirement

As part of filing the Form 8955-SSA, all participants reported on the form are required to receive a notice that they have vested benefits in the plan. It is our understanding that this notice requirement can be satisfied in two ways:

1. Receiving their latest benefit statement from the plan:
  - For defined contribution plans, the quarterly statement provided by most recordkeepers will satisfy this requirement.
  - For defined benefit/cash balance plans, the annual statement showing the monthly accrued benefits and/or account balance will satisfy this requirement.
2. Receiving their benefit payment distribution package.

Penalties for not filing 8955-SSA or providing the required participant notice are as follows:

- \$1 for each participant not reported and for each day multiplied by the number of days the failure continues (up to a maximum of \$5,000).
- Penalty for not providing participant statement: \$50 per participant.

Please contact your Kravitz Consultant if you have any questions.

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