Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2019

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [X] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [X] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
DYNAMIC NURSING SERVICES INC 401(K) PROFIT SHARING PLAN & TRUST

1b Three-digit plan number (PN) ▶ 001

1c Effective date of plan 01/01/2019

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
DYNAMIC NURSING INC.

14260 VENTURA BLVD.
SHERMAN OAKS, CA 91423

2b Employer Identification Number (EIN)
95-4401583

2c Plan Sponsor's telephone number
818-981-4446

2d Business code (see instructions)
623000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	05/24/2021	RON PARDO
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	

5 Total number of participants at the beginning of the plan year	**5**	944
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	944
a(2) Total number of active participants at the end of the plan year	**6a(2)**	1071
b Retired or separated participants receiving benefits	**6b**	0
c Other retired or separated participants entitled to future benefits	**6c**	0
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	1071
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**.	**6f**	1071
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	16
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	Insurance	**(1)**	Insurance
(2)	Code section 412(e)(3) insurance contracts	**(2)**	Code section 412(e)(3) insurance contracts
(3) [X]	Trust	**(3)** [X]	Trust
(4)	General assets of the sponsor	**(4)**	General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** [ ] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] 0 **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [X] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☒ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☒ No

11c Enter the Receipt Confirmation Code for the 2019 Form M-1 annual report. If the plan was not required to file the 2019 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE D (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

DFE/Participating Plan Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2019

This Form is Open to Public Inspection.

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
DYNAMIC NURSING SERVICES INC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
DYNAMIC NURSING INC.

D Employer Identification Number (EIN)
95-4401583

Part I **Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)**
(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: METLIFE GAC SERIES 25053 0

b Name of sponsor of entity listed in (a): RELIANCE TRUST

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
46-6625485-001	C	440

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

a Plan name	
b Name of plan sponsor	**c** EIN-PN

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2019

This Form is Open to Public Inspection

For calendar plan year 2019 or fiscal plan year beginning 01/01/2019 and ending 12/31/2019

A Name of plan
DYNAMIC NURSING SERVICES INC 401(K) PROFIT SHARING PLAN & TRUST

B Three-digit plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500
DYNAMIC NURSING INC.

D Employer Identification Number (EIN)
95-4401583

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	0	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	0	0
(2) Participant contributions	1b(2)	0	0
(3) Other	1b(3)	0	0
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	0	0
(2) U.S. Government securities	1c(2)	0	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)	0	
(B) All other	1c(3)(B)	0	
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)	0	
(B) Common	1c(4)(B)	0	
(5) Partnership/joint venture interests	1c(5)	0	
(6) Real estate (other than employer real property)	1c(6)	0	
(7) Loans (other than to participants)	1c(7)	0	
(8) Participant loans	1c(8)	0	0
(9) Value of interest in common/collective trusts	1c(9)	0	440
(10) Value of interest in pooled separate accounts	1c(10)	0	0
(11) Value of interest in master trust investment accounts	1c(11)	0	0
(12) Value of interest in 103-12 investment entities	1c(12)	0	0
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	0	37892
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	0	0

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	0	
	(2) Employer real property	1d(2)	0	
e	Buildings and other property used in plan operation	1e	0	
f	Total assets (add all amounts in lines 1a through 1e)	1f	0	38332
	Liabilities			
g	Benefit claims payable	1g	0	
h	Operating payables	1h	0	
i	Acquisition indebtedness	1i	0	
j	Other liabilities	1j	0	
k	Total liabilities (add all amounts in lines 1g through1j)	1k	0	0
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	0	38332

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	0	
	(B) Participants	2a(1)(B)	36970	
	(C) Others (including rollovers)	2a(1)(C)	0	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		36970
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	0	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1947	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1947
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		3
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		0
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		0
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		0
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-82
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		38838
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	0	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		0
f Corrective distributions (see instructions)	2f		0
g Certain deemed distributions of participant loans (see instructions)	2g		0
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	502	
(3) Investment advisory and management fees	2i(3)	4	
(4) Other	2i(4)	0	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		506
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		506
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		38332
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unmodified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: LEE CPA AUDIT GROUP **(2)** EIN: 81-4637885

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		20000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☐ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year_____. (See instructions.)

DYNAMIC NURSING SERVICES INC 401(K) PROFIT SHARING PLAN & TRUST

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

DECEMBER 31, 2019
FOR THE YEAR ENDED DECEMBER 31, 2019

LEE CPA
AUDIT GROUP

Table of Contents

Independent Auditors' Report 1

Financial Statements

Statement of Net Assets Available for Benefits 3
Statement of Changes in Net Assets Available for Benefits 4
Notes to the Financial Statements 5

Supplemental Schedules

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) 13
Schedule H, Line 4a - Schedule of Delinquent Participant Contributions..... 14

LEE CPA
AUDIT GROUP

5056 Sunrise Blvd., Suite B1 Fair Oaks, CA 95628
www.leecpagroup.com
916-347-7855

INDEPENDENT AUDITORS' REPORT

To the Dynamic Nursing Services Inc 401(k) Profit Sharing Plan & Trust Sponsor
Sherman Oaks, California

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Dynamic Nursing Services Inc 401(k) Profit Sharing Plan & Trust (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2019 and the related statement of changes in net assets available for benefits for the year ended December 31, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by Mid Atlantic Trust Company, the custodian of the plan, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the custodian holds the plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the custodian as of December 31, 2019 and for the year ended December 31, 2019, that the information provided to the plan administrator by the custodian is complete and accurate.

Disclaimer of Opinion

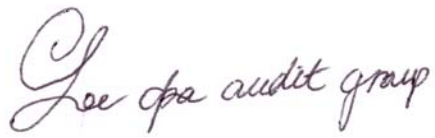
Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter – Supplementary Information

The supplemental Schedule H, Line 4i – Schedule of Assets (Held at End of Year) and Schedule H, Line 4a – Schedule of Delinquent Participant Contributions as of December 31, 2019 are required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA and are presented for the purpose of additional analysis and are not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on these supplemental schedules.

Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.



Fair Oaks, California
April 15, 2021

DYNAMIC NURSING SERVICES INC 401(K) PROFIT SHARING PLAN & TRUST

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2019

ASSETS

		2019
Investments, at fair value:		
Common/collective trusts	$	440
Registered investment companies		37,892
Total investments		38,332
Receivables:		
Participants		1,000
Total assets		39,332
Net assets available for benefits	$	39,332

See the accompanying notes to these financial statements.

DYNAMIC NURSING SERVICES INC 401(K) PROFIT SHARING PLAN & TRUST

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2019

Additions:		
Investment income:		
Net depreciation in fair value of investments	$	(79)
Dividends		1,947
Net investment gain		1,868
Contributions:		
Participants		37,970
Total additions		39,838
Deductions:		
Expense		506
Net increase in net assets available for benefits		39,332
Beginning of year		-
End of year	$	39,332

See the accompanying notes to these financial statements.

NOTE 1: DESCRIPTION OF PLAN

The following description of the Dynamic Nursing Services Inc 401(k) Profit Sharing Plan & Trust (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan is a participant directed defined contribution plan covering all eligible employees of the Dynamic Nursing Services Inc (the Company) with retirement benefits in accordance with section 401(k) of the Internal Revenue Code (the IRC). To be eligible to participate in the Plan, employees must have reached the age of twenty-one and have completed 1,000 hours of service with the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was established on January 1, 2019.

Contributions

Participants elect to have amounts withheld from their paychecks and contributed to the Plan by the Company. Participants who have attained age 50 before the end of the Plan year are eligible to make catch up contributions. Participants may contribute up to 100 percent of annual compensation in pretax or Roth deferrals, as defined in the plan document and allowed by law. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. The Plan allows elective deferral contributions to be made as Roth contributions. The Company makes discretionary matching contributions for participants who have completed 1,000 hours of service and additional discretionary profit-sharing contributions for participants who have completed 500 hours of service in an amount as determined by the Company. The Company may also make qualified non-elective contributions. Company contributions are made in the ratio that each participant’s compensation bears to the compensation of all eligible participants. All foregoing contributions are subject to limits as set by federal law.

Participant Accounts

Each participant’s account is credited with the participant’s own contributions and an allocation of net earnings from investments and changes in investment values. Allocations are based on each participant’s contributions, earnings, or account balances, as defined by the Plan agreement. The benefit to which a participant is entitled is limited to the benefit that can be provided from the participant’s account. Participants select the investments into which their contributions are invested.

NOTE 1: DESCRIPTION OF PLAN (CONTINUED)

Vesting

Participants are always fully vested in their own contributions and all earnings thereon. Participants are fully vested in Company matching contributions after three years of credited service. Participants vest in company profit sharing contributions at the rate of 20% for each year of service until fully vested, beginning on second anniversary after date of hire. Participants are fully vested in Company contributions after six years of credited service.

Payment of Benefits

Upon termination of service for any reason, a participant may elect to receive the value of the vested interest in his or her account as a lump-sum distribution, partial payments, installment payments or in the form of an annuity.

Participant Loans

Loans to participants consist of promissory notes received from participants in exchange for the distribution of cash from the Plan. A participant is allowed to borrow a minimum of $1,000, up to one half of the vested balance of their Plan account, up to a maximum of $50,000. Loans must be repaid over no more than a five-year period with the exception of a loan for the participants' principal residence that may have a repayment period beyond five years. Principal and interest are paid ratably through payroll deductions. Loans to participants are stated at the principal amount outstanding, which approximates fair value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions which affect the reported amounts of net assets available for benefits at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair Value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date. The Plan's Investment Committee determines the Plan's valuation policies utilizing information provided by its investment advisors, custodians, and insurance company. See Note 4 for a discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis.
Dividends are recorded on the ex-dividend date. Net depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Payment of Benefits

Benefits are recorded when paid.

NOTE 3: INFORMATION CERTIFIED BY THE CUSTODIAN (UNAUDITED)

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosures under ERISA. Accordingly, Mid Atlantic Trust Company, the custodian of the Plan, has certified as being complete and accurate the following information as of December 31, 2019, and for the year then ended December 31, 2019.

- Investments and notes receivable from participants reflected on the accompanying statements of net assets available for benefits

- Net depreciation in fair value of investments, dividends, and interest income on notes receivable from participants reflected on the accompanying statement of changes in net assets available for benefits

- Investments reflected on the schedule of assets (held at end of year)

NOTE 4: FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1) Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2) Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3) Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019.

Common/collective trust: Valued at NAC units of a bank collective trust. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchase and sales) may occur daily. Were the Plan to initiate a full redemption pf the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure the securities liquidations will be carried out in an orderly business manner.

NOTE 4: FAIR VALUE MEASUREMENTS (CONTINUED)

Registered investment accounts (mutual funds): Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Net depreciation in fair value of investments includes net unrealized and net realized gains and losses on investments during the year and is presented net of investment expenses. Investment income is allocated to individual participant accounts based upon the participant's share of the investment fund.

As of December 31, 2019, assets in the plan, as defined by ASC Topic 820, were as follows:

	Assets at fair value as of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Common/collective trusts	$ 440		-	$ 440
Registered investment companies	37,892	-	-	37,892
Total investments, at fair value	$ 38,332	-	-	$ 38,332

NOTE 5: NON-EXEMPT TRANSACTIONS

During the Plan year ended, December 31, 2019, the Companies failed to remit to the Plan's custodian certain employee contributions totaling $1,000 during the period prescribed by the Department of Labor regulations. Delays in remitting contributions to the custodian were due to administrative errors caused by the recordkeeper, and subsequent to year end the Companies have made contributions to the affected participant's accounts to compensate those participants for potential lost earnings due to the delay.

NOTE 6: PLAN TERMINATION

Although the Company expects to continue the Plan indefinitely, it has the right under the Plan to suspend its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, all accounts become fully vested and non-forfeitable. Plan assets would first be used to pay any expenses properly charged to the Plan. The remaining Plan assets would then be distributed to participants.

NOTE 7: TAX STATUS

On April 10, 2014, the IRS stated that the prototype adopted by the Plan, as then designed, qualifies under Internal Revenue Code (IRC) Section 401(a). The Plan has not received a determination letter specific to the Plan itself; however, the Plan administrator and the Plan's tax counsel believe that the Plan was designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

GAAP requires Plan management to evaluate tax positions taken by the Plan and recognizes tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the applicable authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 8: RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

NOTE 9: PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments include mutual funds managed by Mid Atlantic Trust Company. Mid Atlantic Trust Company is the custodian, as defined by the Plan, and therefore, these transactions qualify as party-in-interest. Any purchase and sales of investments in the custodian are open market transactions at fair market value. Fees incurred by the Plan for investment management services included in net depreciation in fair value of investments. These fees are paid to the investment fund manager and may include certain revenue sharing fees that are paid to Mid Atlantic Trust Company, other investment custodians and investment advisors. Additionally, the Plan sponsor, Dynamic Nursing Services Inc is a party-in-interest to the Plan; however, there were no transactions with the Plan sponsor other than the funding of contributions to the Plan and payment of certain administrative expenses of the Plan. The plan also allows for the issuance of notes receivable to participants in accordance with the related regulations. Such transactions are permitted under the provisions of the Plan and are exempt from the prohibition of party-in-interest transactions under ERISA.

NOTE 10: RECONILATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2019, to the Plan's Form 5500:

		2019
Net assets available for benefits per the financial statements	$	39,332
Participant contributions receivable		(1,000)
Net assets available for benefits per the Form 5500	$	38,332

The following is a reconciliation to the change in new assets available for benefits per the financial statement for the year ended December 31, 2019, to Form 5500:

Change in net assets available for plan benefits per financial statements	$	39,332
Less: Participant contributions receivable at December 31 ,2019		(1,000)
Change in net assets available for plan benefits per Form 5500	$	38,332

NOTE 11: SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of net assets available for benefits date but before the financial statements are available to be issued. The Plan recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of net assets available for benefits, including the estimates inherent in the process of preparing the financial statements. The Plan's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of net assets available for benefits but arose after the statement of net assets available for benefits date and before the financial statements are available to be issued.

The plan has evaluated subsequent events through April 15, 2021, the date the financial statements were available to be issued. Due to the coronavirus (COVID-19) pandemic, economic uncertainties have arisen which may impact the Plan's performance in the short term and/or long term. Other financial impacts could occur though such potential impact is unknown at this time.

Supplemental Schedules

DYNAMIC NURSING SERVICES INC 401(K) PROFIT SHARING PLAN & TRUST

EIN 95-4401583
PLAN NUMBER: 001
SCHEDULE H, LINE 4i – SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2019

(a)	(b) Identity of Issue, Borrower, Lessor or Similar Party	(c) Description of Investment	(d) Cost	(e) Current Value
	Common/collective trusts			
	MetLife Series Class 0	Common/collective trusts	**	$ 440
	Registered Investment Companies			
	Vanguard Growth Index Fund Admiral Shares	Registered investment company	**	957
	State Street Target Retirement 2045 Fund Class K	Registered investment company	**	3,706
	State Street Target Retirement 2040 Fund Class K	Registered investment company	**	382
	Vanguard Small Cap Value Index Fund Admiral Share	Registered investment company	**	112
	State Street Target Retirement 2050 Fund Class K	Registered investment company	**	112
	State Street Target Retirement 2015 K	Registered investment company	**	186
	iShares Russell Mid-Cap Index Fund Class K	Registered investment company	**	1,496
	State Street Target Retirement Fund Class K	Registered investment company	**	1,850
	State Street Aggregate Bond Index Fund Class K	Registered investment company	**	1,975
	TIAA-CREF Equity Index Fund Institutional Class	Registered investment company	**	113
	State Street Target Retirement 2025 Fund Class K	Registered investment company	**	12,219
	State Street Target Retirement 2060 Fund Class K	Registered investment company	**	112
	Vanguard Small-Cap Growth Index Fund Admiral Shares	Registered investment company	**	33
	Vanguard Value Index Fund Admiral Shares	Registered investment company	**	791
	State Street Target Retirement 2030 Fund Class K	Registered investment company	**	11,817
	State Street Global All Cap Equity ex-U.S. Index Fund Class	Registered investment company	**	227
	iShares MSCI EAFE International Index Fund Class K	Registered investment company	**	33
	State Street Target Retirement 2020 Fund Class K	Registered investment company	**	32
	State Street Equity 500 Index Fund Class K	Registered investment company	**	307
	Vanguard Small-Cap Index Fund Admiral Shares	Registered investment company	**	112
	State Street Target Retirement 2035 Fund Class K	Registered investment company	**	349
	State Street Target Retirement 2055 Fund Class K	Registered investment company	**	33
	Vanguard Balanced Index Fund Admiral Shares	Registered investment company	**	504
	Fidelity Small Cap Index Fund	Registered investment company	**	434
	Total Registered Investment Companies			37,892
	Total Investments			$ 38,332

* Denotes party-in-interest
** Not applicable as all investments are participant-directed

DYNAMIC NURSING SERVICES INC 401(K) PROFIT SHARING PLAN & TRUST

EIN 95-4401583
PLAN NUMBER: 001
SCHEDULE H, LINE 4a – SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
DECEMBER 31, 2019

Participant Contributions Transferred Late to Plan	Total That Constitute Nonexept Prohibited Transactions			
Check Here If Late Participant Loan Repayments Are Included ☐	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
$ 1,000.00	$ 1,000.00	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

2019 Form 5500

Table of Contents

Form 5500 Overview 3
Preparing to File 4
What is the Role of Paychex? 4
What is the Role of the Client? 5
Department of Labor Filing Credentials 6
Filing Deadline 13
Form 5558 13
Form 5500 Versions (5500-SF, Schedule I, Schedule H) 16
Reviewing and Filing 18
Form 5500-SF 20
Welcome Screen 22
Annual Report Identification Information 23
Basic Plan Information - Part I 24
Basic Plan Information - Part II 25
Basic Plan Information - Part III 27
Other Information 28
Assets and Liabilities 29
Income and Expenses 31
Compliance Questions 32
Fidelity Bond 33
Plan Terminations and Transfer of Assets 34
Attach Documents 35
Finished 36
Review 37
Filing Credential Errors 38
Submit 39
Summary Annual Report (SAR) 41
Form 5500 with Schedule I or Schedule H 42

Before you electronically file 43
Audit Package (Schedule H) 44
Welcome Screen 45
Annual Report Identification Information 47
Basic Plan Information - Part I 48
Basic Plan Information - Part II 49
Basic Plan Information - Part III 50
80/120 Participant Rule 51
Assets and Liabilities 52
Income and Expenses (Schedule I) 54
Income and Expenses (Schedule H) 55
Compliance Questions 58
Pension Funding Compliance 59
Plan Terminations and Transfer of Assets 60
Distribution Information (Schedule I) 61
Additional Schedules (A, D, R, C) 62
Attach Documents 65
Schedule H Audit 66
Finished 67
Review 68
Submit 69
Summary Annual Report (SAR) 70
One-Participant Plans 71
Delinquent and Amended Filings 73
Delinquent Filer Voluntary Compliance Program 73
Amended Filings 78
Cancelled Plans (Plan Termination and Plan Transfer) 79
HRIS Screens 80
Client Communications 84

Form 5500 Overview

The Form 5500 is an annual report 401(k) plan sponsors file to satisfy reporting requirements of the Internal Revenue Code (IRC) and the Employee Retirement Income Security Act of 1974 (ERISA).

The Form 5500 provides the **U.S. Department of Labor** (DOL) with statistical information about the plan and plan sponsor, financial information about the plan, and information about the plan's compliance with various legal requirements.

In general, all qualified retirement plans, such as 401(k) plans, must file a Form 5500 for all years in which the plan exists.

The importance of the Form 5500 and the accuracy of the information it contains cannot be overstated.

Objectives:

This training module will:

- Introduce the Form 5500 and related concepts
- Discuss the roles of all parties involved in Form 5500 processing
- Outline the steps involved in obtaining filing credentials with the DOL
- Outline the steps involved in electronically filing the Form 5500
- Discuss delinquent and amended filings of the Form 5500
- Discuss Form 5500 filing for cancelled plans
- Show applicable HRIS screens

Preparing to File

The U.S. Department of Labor (DOL) requires that all Form 5500 annual returns be filed electronically via the DOL's ERISA Filing Acceptance System (EFAST2). This can be done through an approved third-party software or directly with the DOL:

1. **Paychex Employer Website:** To file through Paychex, clients must have **Plan Administrator** access to the Paychex 401(k) Employer Website and obtain filing credentials from the DOL via www.efast.dol.gov. **This is the recommended filing method for Paychex clients.**

2. **IFILE:** Using this option, clients submit the Form 5500 to the DOL directly through the EFAST2 website at www.efast.dol.gov. To use this option, clients must still obtain filing credentials from the DOL, but they would not file through the Paychex 401(k) Employer Website. Clients may contact the DOL EFAST2 Help Desk with questions at 866-463-3278, Monday through Friday, 8:00 AM to 8:00 PM EST.

What is the Role of Paychex?

As Recordkeeper, Paychex is responsible for preparing the Form 5500 for all clients required to file. Paychex will provide clients with all Form 5500 annual returns in electronic format via the 401(k) Employer Website.

Important: Paychex does not file the Form 5500 on clients' behalf.

What is the Role of the Client?

If the client has not already done so, prior to filing the Form 5500 via the Paychex 401(k) Employer Website, the client must complete several steps:

1. **Register for Plan Administrator access to the Paychex 401(k) Employer Website.**

2. **Register for filing credentials with the Department of Labor.**

   Plan Administrators who have registered in the past **do not** re-register every year for filing credentials.

   If the Plan Administrator does not have filing credentials (a User ID and PIN) with the Department of Labor, he must access www.efast.dol.gov to obtain them. The following pages walk through the registration process.

   If the Plan Administrator does not remember his User ID or PIN to file the Form 5500, he must access www.efast.dol.gov and go to the login page to reset or obtain this information.

   If a client has any questions about this process, he may contact the DOL directly at 866-463-3278, Monday through Friday, from 8:00 AM to 8:00 PM EST.

Department of Labor Filing Credentials

Use the following steps to walk a client through registering for filing credentials:

1. Click on **Register** under the **Main** Menu



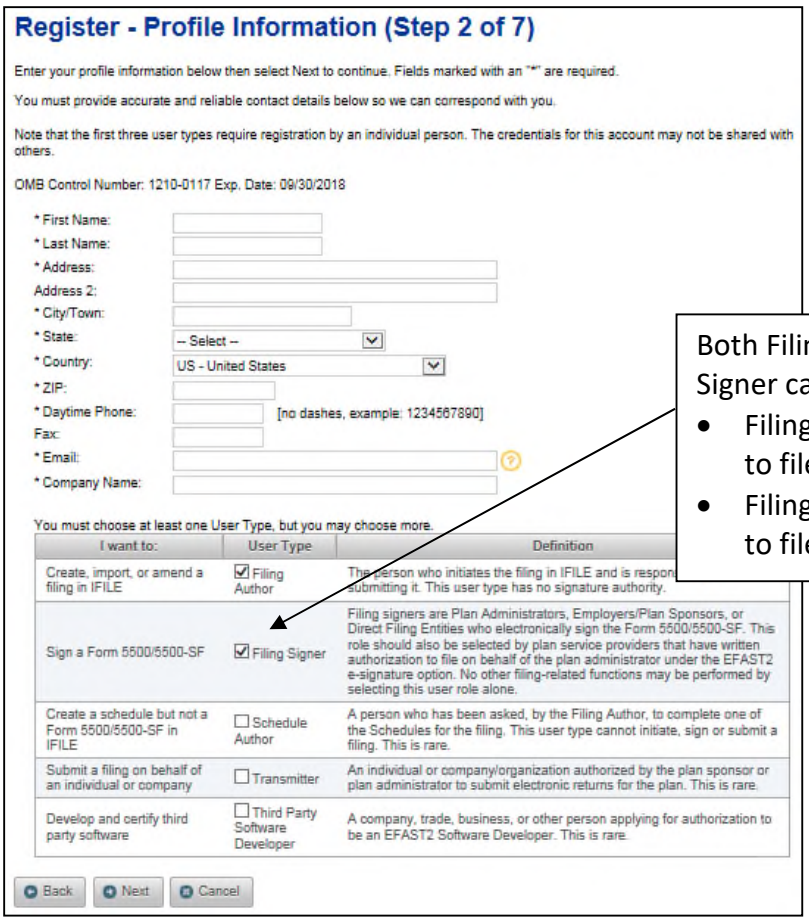
2. Read the **EFAST2 Registration** and click **Continue**



3. Read the **Privacy** Statement, then check the box indicating **I have read this agreement** and click **Accept Agreement**



4. Complete the **Profile Information** and click **Next**



Both Filing Author and Filing Signer can remain checked.

- Filing Signer must be checked to file on the Paychex Web
- Filing Author must be checked to file through EFAST

5. Select and answer a **Challenge Question** and click **Next**



6. Review **Profile Information**



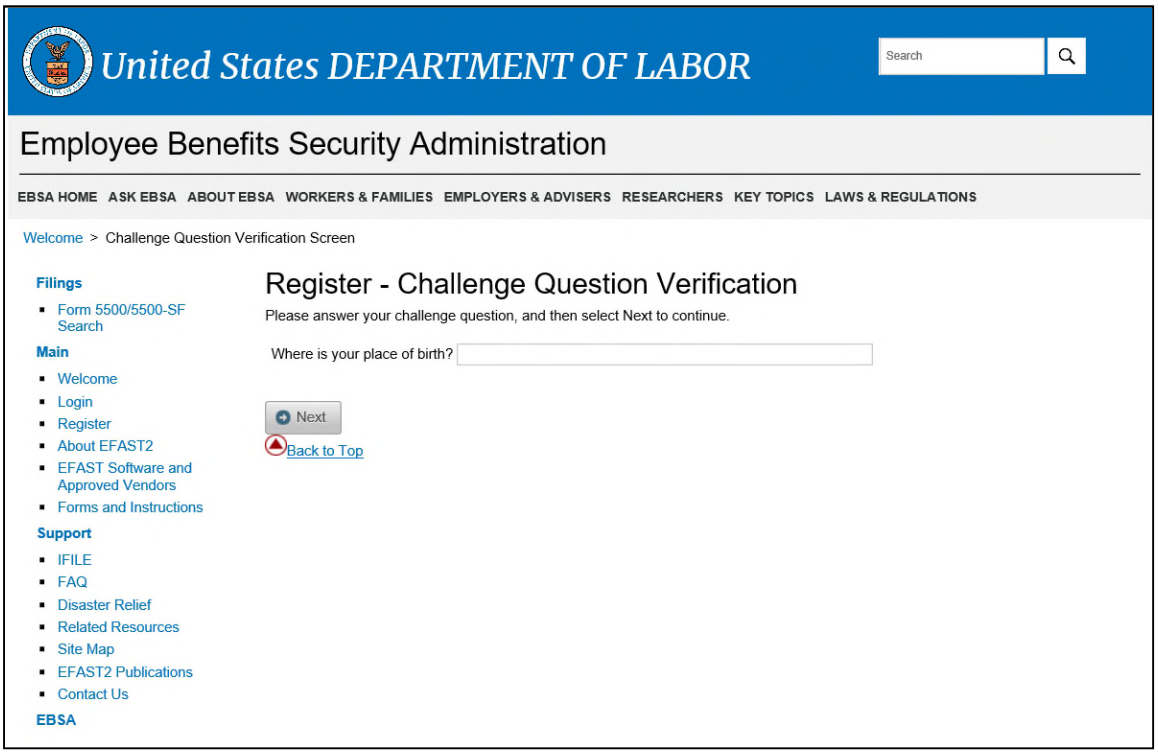
7. Click **Submit**

8. Click **OK** on the Register - Check Email page
9. Wait for an email from **efast2@efastsys.dol.gov**



10. Click on the **link** in the email

11. Enter answer to **Challenge Question** and click **Next**



12. Read **PIN Agreement**



13. Check the box indicating **I have read this agreement**

14. Click **Accept Agreement**

15. Read **Signature Agreement**



16. Check the box indicating **I have read this agreement** and click **Accept Agreement**

17. Create a **Password** for the DOL site. The password requirements are on the screen.



18. Click **Save**

19. Retrieve **User ID** (A-W + 7 numbers) and **PIN** (4 digits) from Confirmation Page



20. Click **Login** only if the client wants to be logged into the DOL website, otherwise it is not necessary to do so.

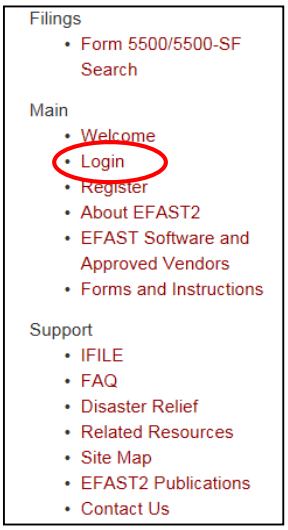
IMPORTANT: Clients that have registered for a User ID and PIN in the past **DO NOT** re-register for the 2019 filing unless a different Plan Administrator needs to "sign" the Form 5500.

The User ID and PIN will only expire if it is not used for a three-year period.

If the client cannot remember his User ID and/or PIN, he must complete the following steps:

1. Access **www.efast.dol.gov**

2. Click **Login** under the **Main** Menu

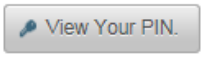




3. Select the appropriate link: **Forgot User ID** or **Forgot Password**

4. If the client cannot remember his PIN, he must login with his User ID and Password

5. Click on **User Profile** to obtain the PIN or the **View Your PIN** button on the middle of the Home page.



Filing Deadline

It is the Plan Administrator's role to review the Form 5500 for accuracy, to make any necessary corrections, and to file the Form with the DOL by the filing deadline. The Plan Administrator is also responsible for providing Paychex with accurate plan information so that the Form 5500 may be prepared correctly.

Important: The filing deadline for the 2019 Form 5500 is 11:59 PM local time (time zone where the Plan Administrator is located) on Friday, July 31, 2020, (unless the client applies for an extension by completing IRS Form 5558).

Paychex recommends that clients factor in additional time when submitting the Form 5500 for the system to validate the filing, virus scan any attachments, and transmit the file to the DOL. A return that is transmitted at 11:59 PM on July 31, may not be considered received on time by the DOL.

Form 5558

Form 5558 grants the Plan Administrator up to a 2 ½ month extension (October 15, 2020) on the filing deadline. A paper copy of the Form 5558 must be filed with the IRS. The Form 5558 must be postmarked and mailed to the IRS by the Form 5500 due date.

October 15, 2020, must be entered as the extension date to be granted the full 2 ½ month extension.

A copy of the Form 5558 is available on the **Before you electronically file your 2019 Form 5500** section on the Employer web. The Form is also available through www.irs.gov. Paychex will also automatically file the extension if clients haven't filed by a certain date.

Important: Do not attach a copy of the Form 5558 to the electronic filing of the Form 5500. No signature is required on Form 5558.

Mailing address:
Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0045

Print Form

Form **5558**
(Rev. August 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File Certain Employee Plan Returns

▶ For Privacy Act and Paperwork Reduction Act Notice, see instructions.
▶ Information about Form 5558 and its instructions is at www.irs.gov/form5558

OMB No. 1545-0212

File With IRS Only

Part I Identification

A	Name of filer, plan administrator, or plan sponsor (see instructions)	B Filer's identifying number (see instructions)
	Number, street, and room or suite no. (If a P.O. box, see instructions)	Employer identification number (EIN) (9 digits XX-XXXXXXX)
	City or town, state, and ZIP code	Social security number (SSN) (9 digits XXX-XX-XXXX)

C	Plan name	Plan number	Plan year ending — MM	DD	YYYY

Part II Extension of Time To File Form 5500 Series, and/or Form 8955-SSA

1 ☐ Check this box if you are requesting an extension of time on line 2 to file the first Form 5500 series return/report for the plan listed in Part 1, C above.

2 I request an extension of time until ___/___/___ to file Form 5500 series (see instructions).
Note. A signature IS NOT required if you are requesting an extension to file Form 5500 series.

3 I request an extension of time until ___/___/___ to file Form 8955-SSA (see instructions).
Note. A signature IS NOT required if you are requesting an extension to file Form 8955-SSA.

The application **is automatically approved** to the date shown on line 2 and/or line 3 (above) if: **(a)** the Form 5558 is filed on or before the normal due date of Form 5500 series, and/or Form 8955-SSA for which this extension is requested, and **(b)** the date on line 2 and/or line 3 (above) is not later than the 15th day of the third month after the normal due date.

Part III Extension of Time To File Form 5330 *(see instructions)*

4 I request an extension of time until ___/___/___ to file Form 5330.
You may be approved for up to a 6 month extension to file Form 5330, after the normal due date of Form 5330.

a Enter the Code section(s) imposing the tax . . . . . ▶ a

b Enter the payment amount attached . . . . . ▶ b

c For excise taxes under section 4980 or 4980F of the Code, enter the reversion/amendment date . . . ▶ c

5 **State in detail why you need the extension:**

Under penalties of perjury, I declare that to the best of my knowledge and belief, the statements made on this form are true, correct, and complete, and that I am authorized to prepare this application.

Signature ▶ **Date** ▶

Cat. No. 12009T

Form **5558** (Rev. 8-2012)

Automatic Filing – Form 5558

Starting with the 2015 Form 5500 filing year, Paychex began automatically filing Form 5558 for clients who did not file before a selected date in July.

Who will Paychex file Form 5558 for?

Paychex will automatically file a Form 5558 for every client who is still in Extracted or Filing Unprocessable status within a few days of the Form 5500 deadline.

What is the fee for Paychex to file Form 5558?

There is a one-time $150 (non ASO/PEO) or $75 (ASO/PEO) Paychex processing fee that will be charged in September. There is no charge for Strategic Account Schedule H clients.

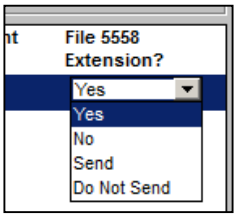
How will Paychex communicate the Form 5558 filing and what's the timeline?

A query will be run in mid-July to identify any of the clients that met the above criteria. These clients will be sent an email (or a letter if there is no WEB-401K Admin email) communication informing them that if they do not file by July 24th, Paychex will file a Form 5558 on their behalf and that a one-time processing fee will apply.

Another query will be run after close of business on July 24th to verify those clients still in Extracted or Filing Unprocessable status. The completed Form 5558 will be mailed to the IRS by Friday, July 31, 2020. Any clients that we file a Form 5558 for, but who have filed by the deadline, **will not** be billed the processing fee.

The impacted clients (i.e., the ones that will be billed) will receive a communication in mid-August and September regarding the extension and reminding them to file by October 15, 2020.

What if the client states he filed his own Form 5558?



If you speak to a client that states he has filed his own Form 5558, he should be removed from the filing and billing process. To remove the client, go to **Year End | 5500 Manifest** and choose **Do Not Send** under **File 5558 Extension**. If, for some reason, the client changes his mind, you can change him back to **Send** to be put back into the automatic filing process.

When and how will Form 5558 billing occur?

The billing will be collected in the same method the client's monthly administrative fee is paid. ASO/PEO clients will have the fee collected from the bank account on file in HRIS.

Form 5500 Versions

Who is a Participant?

A Participant is any active, eligible employee, regardless of having an account balance, as well as any terminated employee who maintains a vested account balance in the plan. It is not just those employees who are actively participating in the plan by making salary deferrals.

Examples:

1. Mary is eligible to participate in her employer's 401(k) plan as of January 1, 2019, but chooses not to make deferrals. Mary is counted as a Participant on the 2019 Form 5500.
2. Bob terminated employment on May 1, 2014, but has a $6,000 vested account balance in the plan in 2019. Bob is counted as a Participant on the 2019 Form 5500.

Which version of Form 5500 will a client file?

There are three versions of the Form 5500 that Paychex will prepare for clients to file. Paychex will prepare the Form that is most appropriate for the client, and when the client logs into the 401(k) Employer Website he will only see the Form that has been prepared for him.

- Form 5500-SF
- Form 5500 with Schedule I
- Form 5500 with Schedule H

Important: In addition to these three options, clients who meet certain small-plan criteria may be eligible to file a Form 5500-EZ. *The Form 5500-EZ is not available from Paychex.*

Form 5500-SF

The Form 5500-SF, or Short Form, may be filed by certain plans that have fewer than 100 participants at the beginning of the plan year. The Form 5500-SF is not required to be accompanied by any attached schedules. Paychex will automatically prepare this Form for all clients that have less than 100 participants, except in the following cases:

- Self Directed Brokerage Account (SDBA) clients
- First-year conversion clients

Plans that contain certain investments are not eligible to file a Form 5500-SF. Since Paychex cannot be certain that clients who have an SDBA or are a first year conversion client do not have these investments, the Form 5500 with Schedule I is automatically prepared. *If the **client***

determines *that he is eligible to file Form 5500-SF, submit a related case through Salesforce to Service Support via the 5500 reassignment category to have that version posted to the Employer web.*

Note: Approximately 95% of Paychex clients will receive the Form 5500-SF.

Form 5500 with Schedule H or I

Clients who do not meet the eligibility requirements to file a Form 5500-SF will be required to file a traditional Form 5500, which must be accompanied by one of two financial schedules: Schedule H or Schedule I. The financial schedules are used to report information about plan assets at the beginning and end of the plan year, as well as plan activity throughout the year.

The financial schedule a client receives is dependent upon the number of participants a plan had as of the beginning of the plan year.

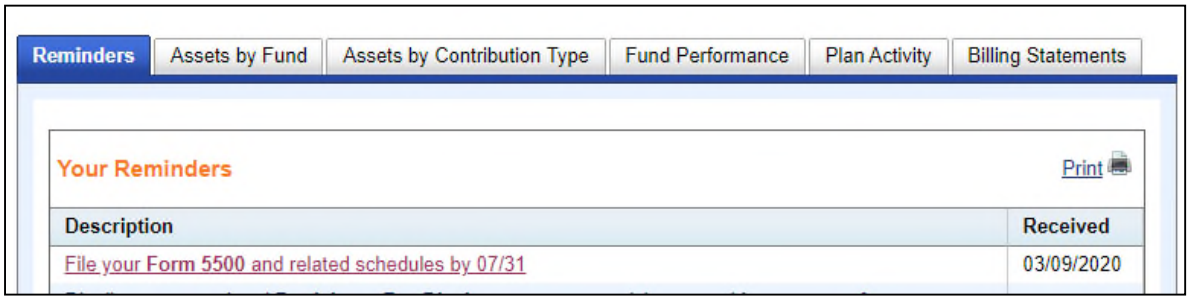
- **Schedule I:** Clients with less than 100 participants as of the first day of the plan year (01/01/2019), and who do not meet the requirements for filing a Form 5500-SF, will file a Form 5500 with a Schedule I. Paychex will prepare the Schedule I for all clients with less than 100 participants who have an SDBA or were a first year conversion client.

- **Schedule H:** Clients with 100 or more participants as of the first day of the plan year (01/01/2019) will file a Form 5500 with a Schedule H.

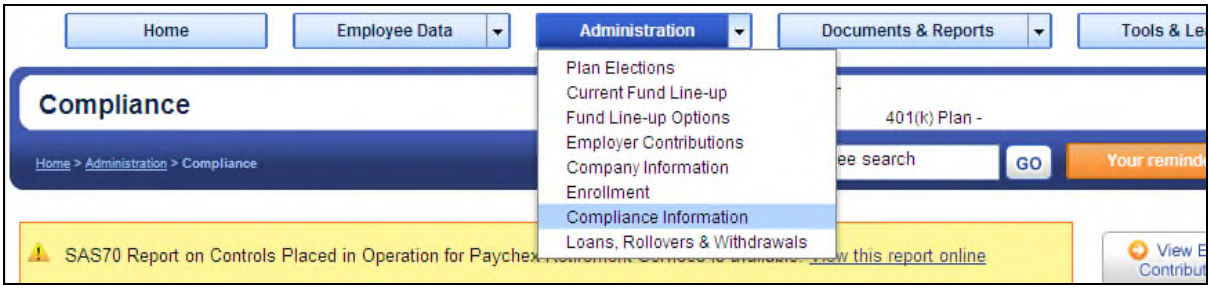
Reviewing and Filing

After registering for access to the Paychex Employer Website and obtaining filing credentials from the DOL, the client may log into the 401(k) Employer Website to review, correct as necessary, and file his 2019 Form 5500.

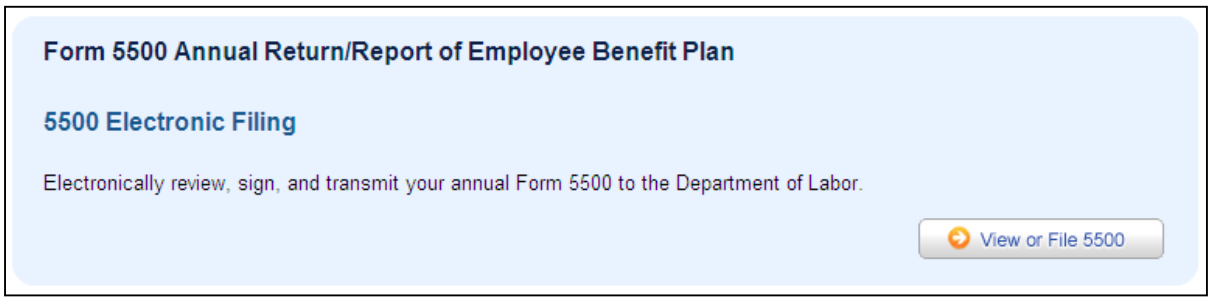
Upon logging into the site, the client will be taken to the Home page. From there, he will have a link to the Form 5500 in the **Your Reminders** section of the Home page.



Another way to access the Form 5500 is to choose **Compliance Information** from the **Administration** menu.



Then the client must select **View or File 5500**.

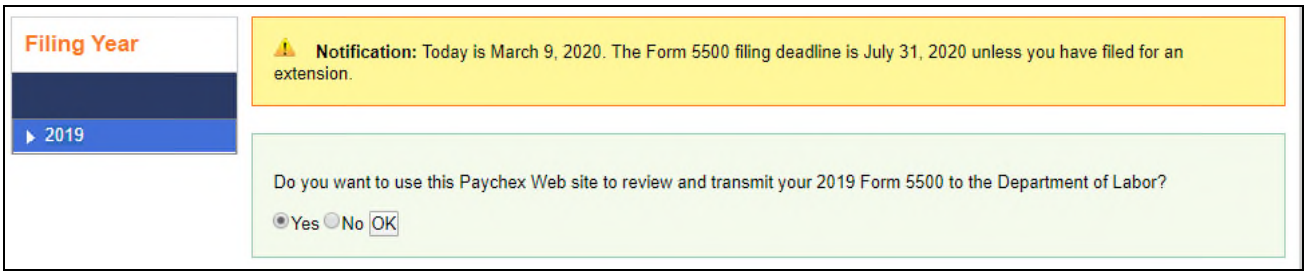


After clicking **View or File 5500**, the client will be routed to a page where he can begin the Form 5500 review and filing process. The system will default to the most recently available filing year. The 2009 through 2019 Form 5500s will be available as long as it was prepared by Paychex. **Only the previous 4 years' returns can still be filed/amended through the Paychex website.**

> **Note**: To determine if a client has successfully electronically filed his Form 5500 through Paychex in the past, click on the filing year in question. A Form 5500 Submission History will be displayed. The Submission History will indicate the date it was filed, the filing status, and a description of the filing status. A filing status of **Filing Received** indicates a successful filing.

The client will see a notification showing the current date and the Form 5500 filing deadline. The client must indicate if he will be using the Paychex website to review and transmit his Form 5500. The system defaults to **Yes**.

> **Important**: If a client chooses not to use the Paychex website to review and transmit his Form 5500, he is indicating that he will instead be using the DOL IFILE option and must visit the EFAST2 website to complete and file the return.



Before you electronically file your 2019 Form 5500:

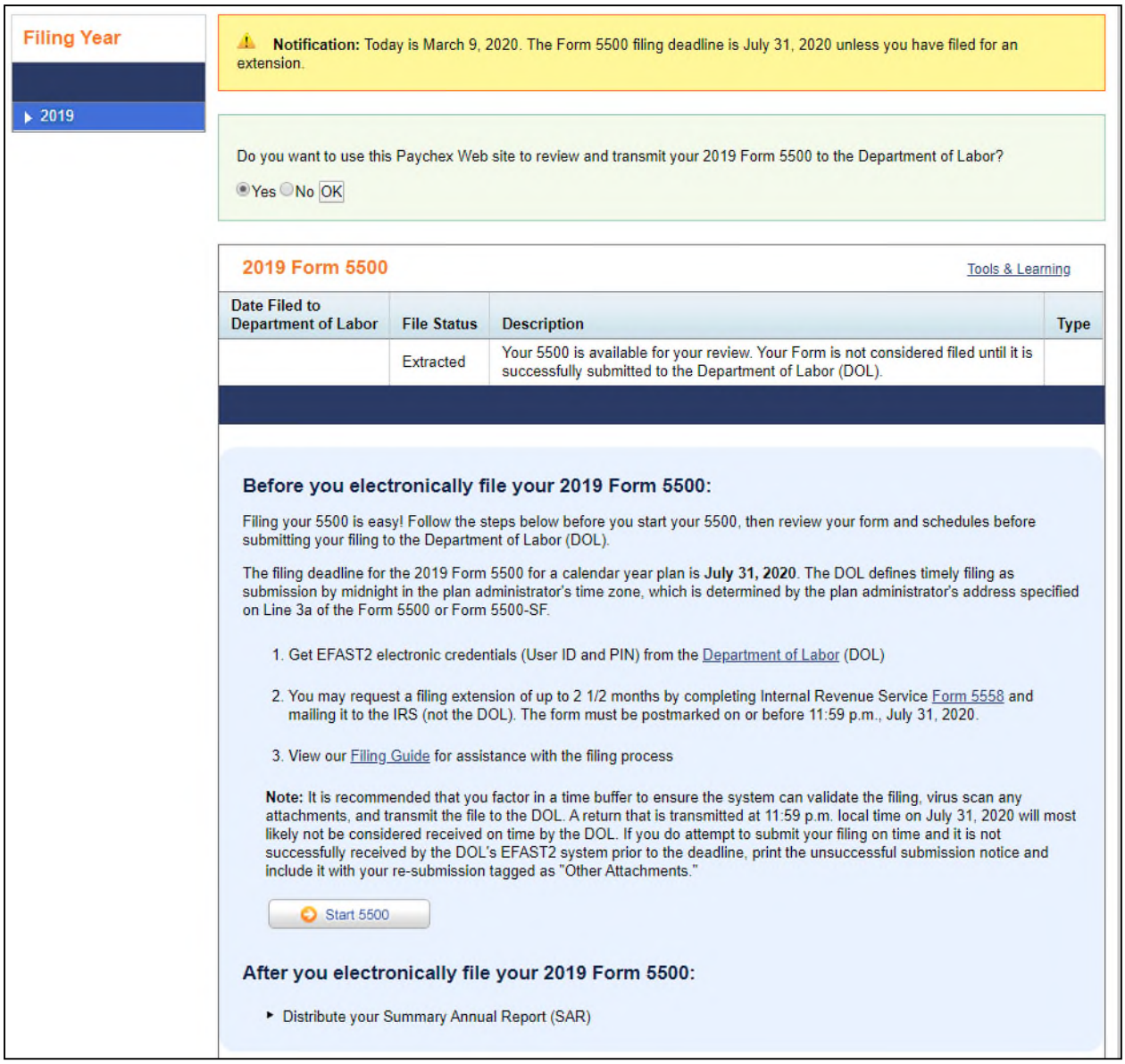
When a client logs into the 401(k) Employer Website and navigates to the Form 5500 review and filing page, he will be instructed to review the following steps:

1. **Register for Filing Credentials with the DOL.** A link to efast.dol.gov will be available for the client to register for credentials in case he has not already completed this step in the past.

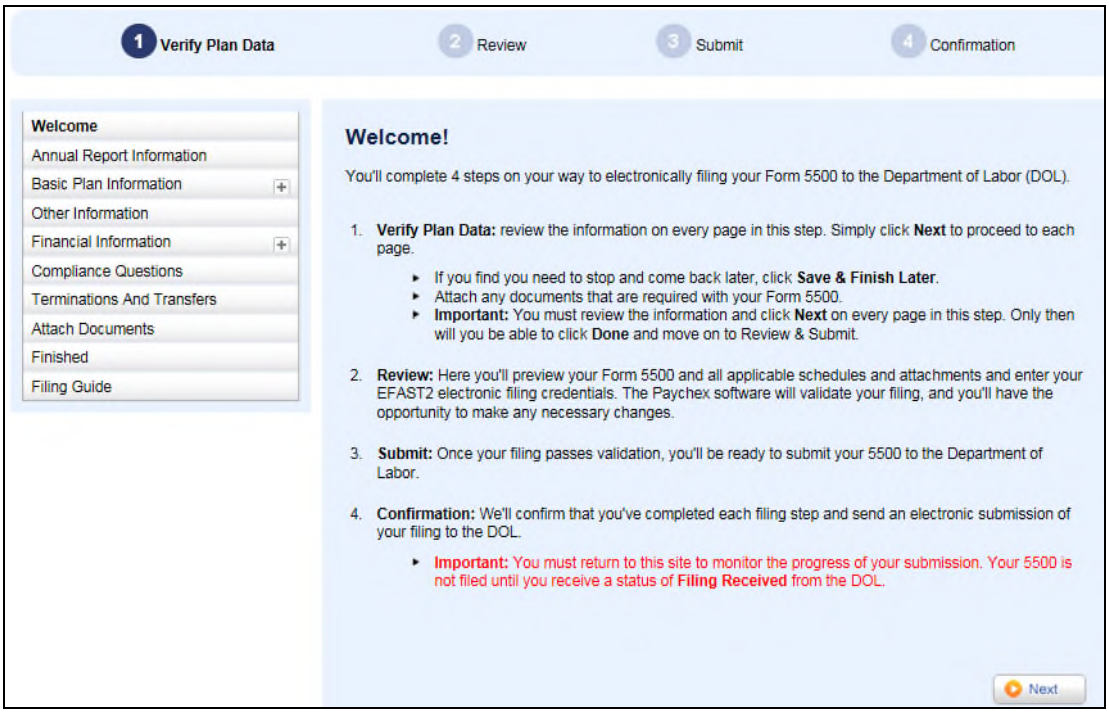
2. **Request an extension,** if necessary. An extension of up to 2 ½ months may be requested by completing the Form 5558 and filing it by mail with the IRS (not the DOL) by the return's due date. A link to the Form 5558 is included.

3. **View the Paychex Filing Guide** for assistance with questions about the filing process.

Once these steps have been completed, the client will choose **Start 5500** to begin the filing process.


Filing Year
2019
Notification: Today is March 9, 2020. The Form 5500 filing deadline is July 31, 2020 unless you have filed for an extension.
Do you want to use this Paychex Web site to review and transmit your 2019 Form 5500 to the Department of Labor?
Yes No OK
2019 Form 5500
Tools & Learning
Date Filed to Department of Labor
File Status
Description
Type
Extracted
Your 5500 is available for your review. Your Form is not considered filed until it is successfully submitted to the Department of Labor (DOL).
Before you electronically file your 2019 Form 5500:
Filing your 5500 is easy! Follow the steps below before you start your 5500, then review your form and schedules before submitting your filing to the Department of Labor (DOL).
The filing deadline for the 2019 Form 5500 for a calendar year plan is July 31, 2020. The DOL defines timely filing as submission by midnight in the plan administrator's time zone, which is determined by the plan administrator's address specified on Line 3a of the Form 5500 or Form 5500-SF.
1. Get EFAST2 electronic credentials (User ID and PIN) from the Department of Labor (DOL)
2. You may request a filing extension of up to 2 1/2 months by completing Internal Revenue Service Form 5558 and mailing it to the IRS (not the DOL). The form must be postmarked on or before 11:59 p.m., July 31, 2020.
3. View our Filing Guide for assistance with the filing process
Note: It is recommended that you factor in a time buffer to ensure the system can validate the filing, virus scan any attachments, and transmit the file to the DOL. A return that is transmitted at 11:59 p.m. local time on July 31, 2020 will most likely not be considered received on time by the DOL. If you do attempt to submit your filing on time and it is not successfully received by the DOL's EFAST2 system prior to the deadline, print the unsuccessful submission notice and include it with your re-submission tagged as "Other Attachments."
Start 5500
After you electronically file your 2019 Form 5500:
Distribute your Summary Annual Report (SAR)

Welcome Screen



The navigation menu on the left side of the screen will help the client track his progress through the filing process. A green check mark will indicate that a section of the Form 5500 has been reviewed, and the client may navigate to any specific section by choosing the section heading on the menu.

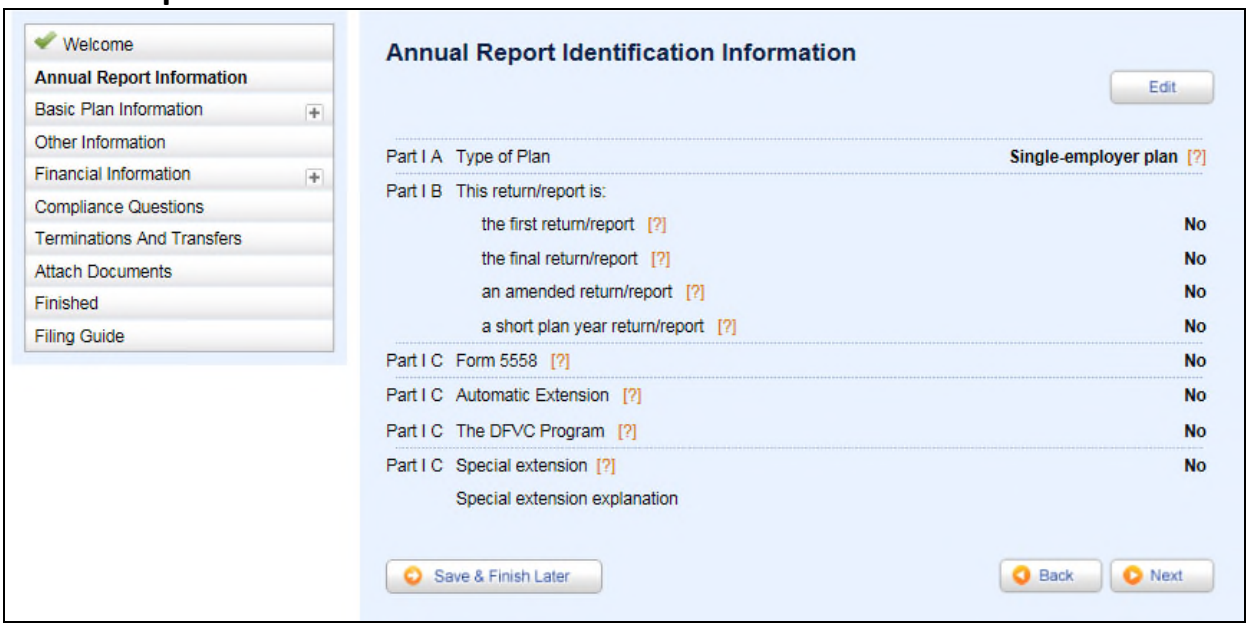
The Welcome screen also outlines the steps the client will be taking during the filing process.

1. **Verify Plan Data:** Allows the client to review all information on the Form 5500-SF and make changes as necessary.
2. **Review:** Gives the client the opportunity to validate all information included in the **Verify Plan Data** step before submitting to the DOL.
3. **Submit:** Transmits the Form 5500-SF to the DOL.
4. **Confirmation:** Verifies that all required information has been submitted.

When the client is ready to proceed, he will select **Next** and will be taken to a step-by-step review of the Form 5500-SF. As the client navigates through the Form 5500 review process, he will be asked to verify that his plan information is correct. The client may also hover over the yellow question marks embedded in each line for additional assistance. All information is pre-populated on the Form, but it is the client's responsibility to ensure that it is accurate. If any changes are necessary, the client may choose **Edit** at the top of the screen and enter the correct information.

Important: If a client makes changes to his Form 5500-SF, the change will be reflected on the Form 5500 in HRIS, but it will not update any other HRIS fields (such as the Client Profile).

Annual Report Identification Information



Highlights from Annual Report Identification Information:

- **Part IA Type of Plan:** All Paychex clients are Single-employer plans or One-participant plans; even clients that are a controlled ownership ("parent –child" arrangement). One-participant plans are discussed on page 71.

- **Part IC Form 5558:** Should be marked **Yes** by the client **only** if he has requested an extension of his filing deadline by submitting the Form 5558 to the IRS, and the date the filing is being submitted on the Employer website is later than the original not extended deadline. Paychex will automatically check this field **Yes** if it has filed a Form 5558 on the client's behalf.

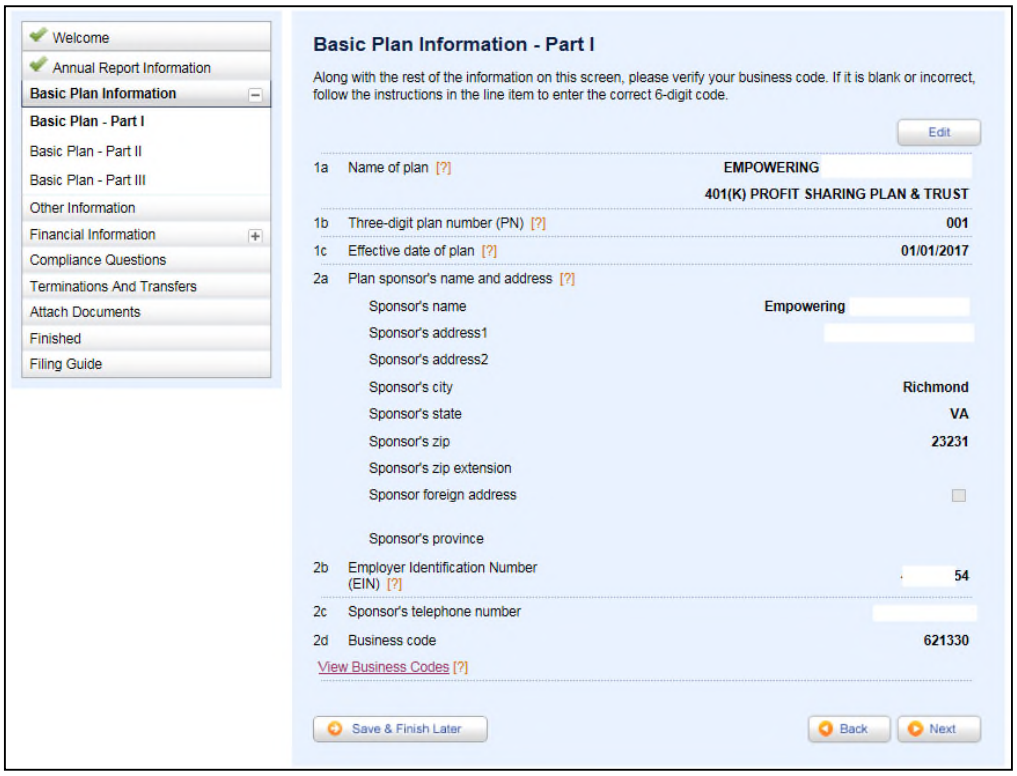
- **Part IC Automatic Extension:** May be marked **Yes** by the client if he has requested an extension of the filing deadline for his corporate taxes and would like an extension for filing the Form 5500.

  Example: Company A's corporate tax year is the calendar year. Company A has received an extension to file its 2019 federal corporate tax return from March 15, 2020 to September 15, 2020. Company A automatically has an extension to file its 2019 Form 5500 from July 31, 2020, to September 15, 2020. A Form 5558 does not need to be filed with the IRS.

- **Part IC DFVC Program:** Should be marked **Yes** by the client if he is filing under the DOL Delinquent Filer Voluntary Compliance Program. This only applies for delinquent (late) filings and will always remain **No** for returns filed by the DOL deadline.

When finished reviewing any page, the client may choose **Save & Finish Later** and return to the Form 5500-SF at any time or **Next** to continue with the review process.

Basic Plan Information – Part I



Highlights from Basic Plan Information – Part I:

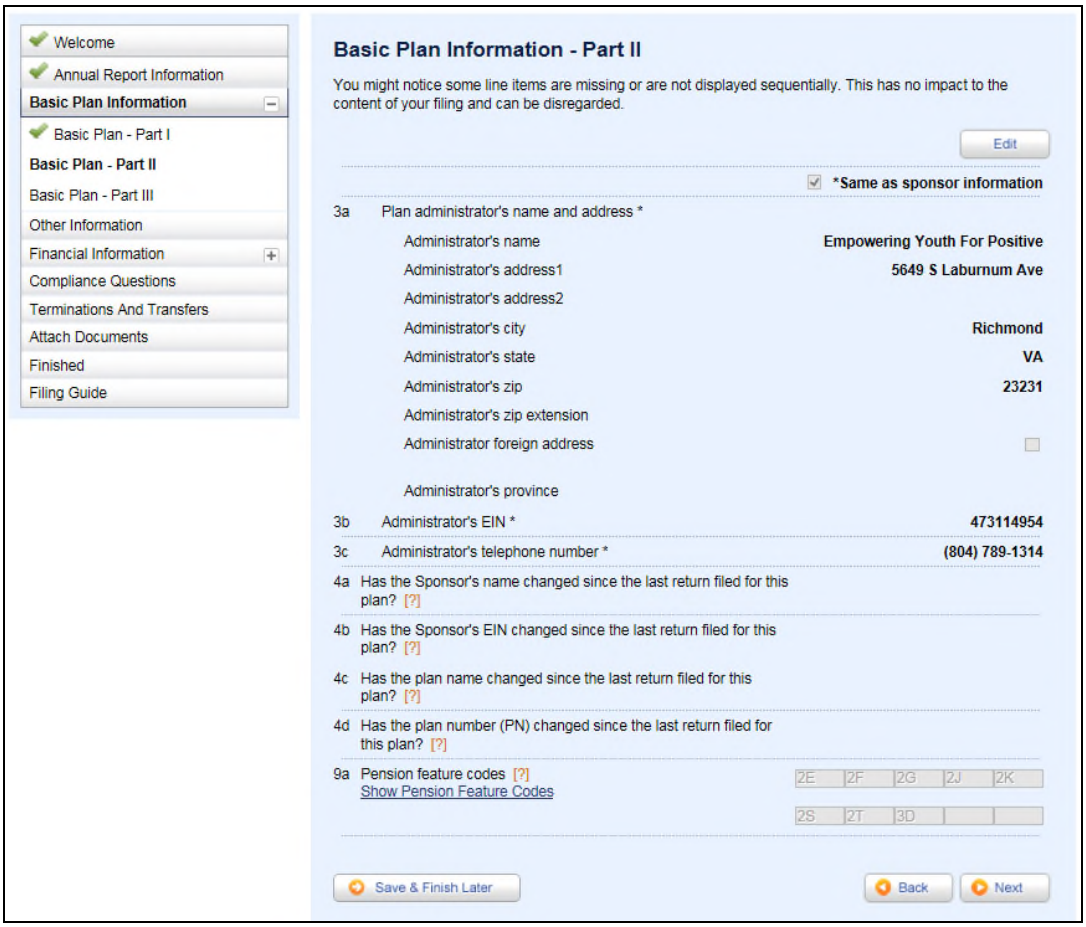
1b Three-digit plan number (PN): This identifies the number of retirement plans the employer has maintained. This number can be confirmed on the **General Tab** of **Plan Elections**.

2d Business code*:* A **Business Code** is a six-digit number that best describes the nature of the plan sponsor's business. If the business code is missing from the Form 5500, the client must enter a Business Code in order to pass validation. If the client has a blank Business Code in HRIS, but has filed at least one Form 5500 through the Employer Website with the Business Code completed, the Form 5500 will pull that information on to the next year's form.

For assistance with the Business Code, the client should click on the **View Business Codes** link. A new window will be displayed that will list all Business Codes. The client can use this information to help determine his code and enter the information on the Form.

Reminder: Any changes made by the client to the Form 5500-SF will not be reflected in HRIS. If a client needs to change information, such as his business name, address, Employer Identification Number (EIN), or Business Code, he must also contact Paychex to have the change permanently reflected in our records.

Basic Plan Information – Part II

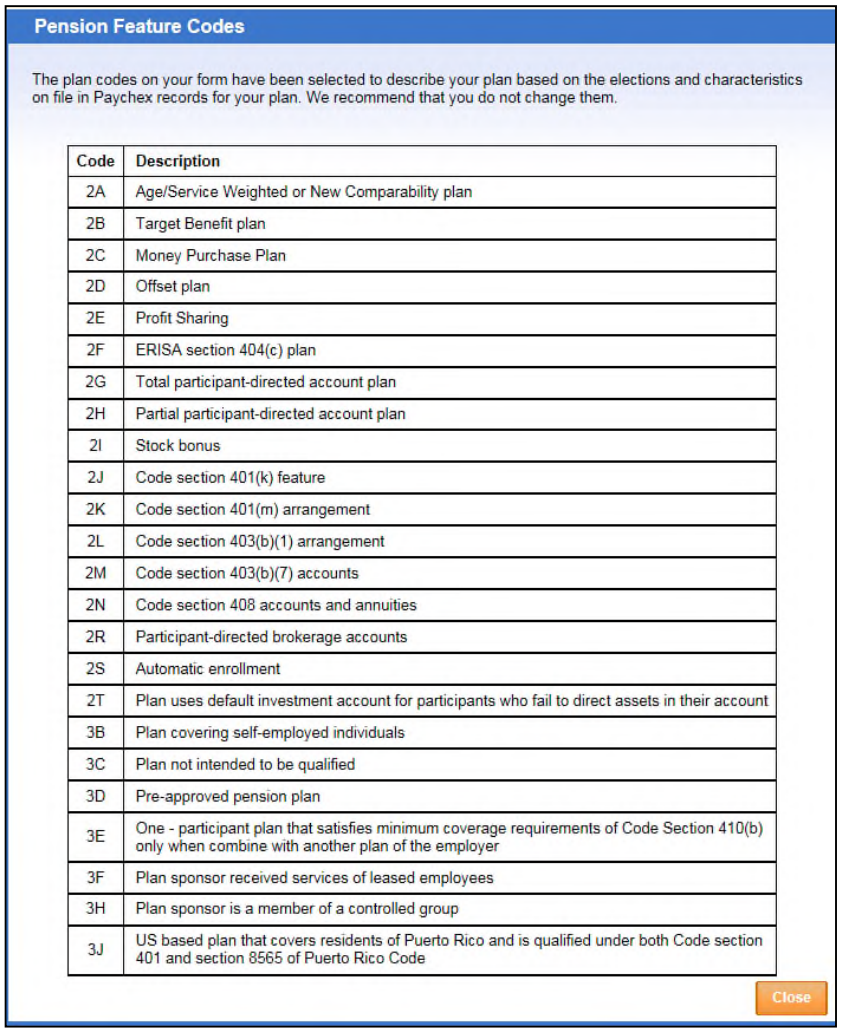


Highlights from Basic Plan Information – Part II:

- **3b Administrator's EIN:** If the Employer Identification Number (EIN) in Paychex' records is the client's social security number, he must edit this to his EIN. If the client doesn't have an EIN, he must contact the IRS to obtain one. This can be done online. The Form 5500 is a public record; therefore, it should never contain social security numbers.

- **9a Pension feature codes:** These codes are used to describe certain features of the plan. For example, 401(k) plans are indicated with code 2J, and plans that use a New Comparability Profit Sharing formula include code 2A.

Clients can view a list of these codes by clicking on the **Show Pension Feature Codes** link and make changes as needed. Some of the codes are grayed out and cannot be changed by the client.



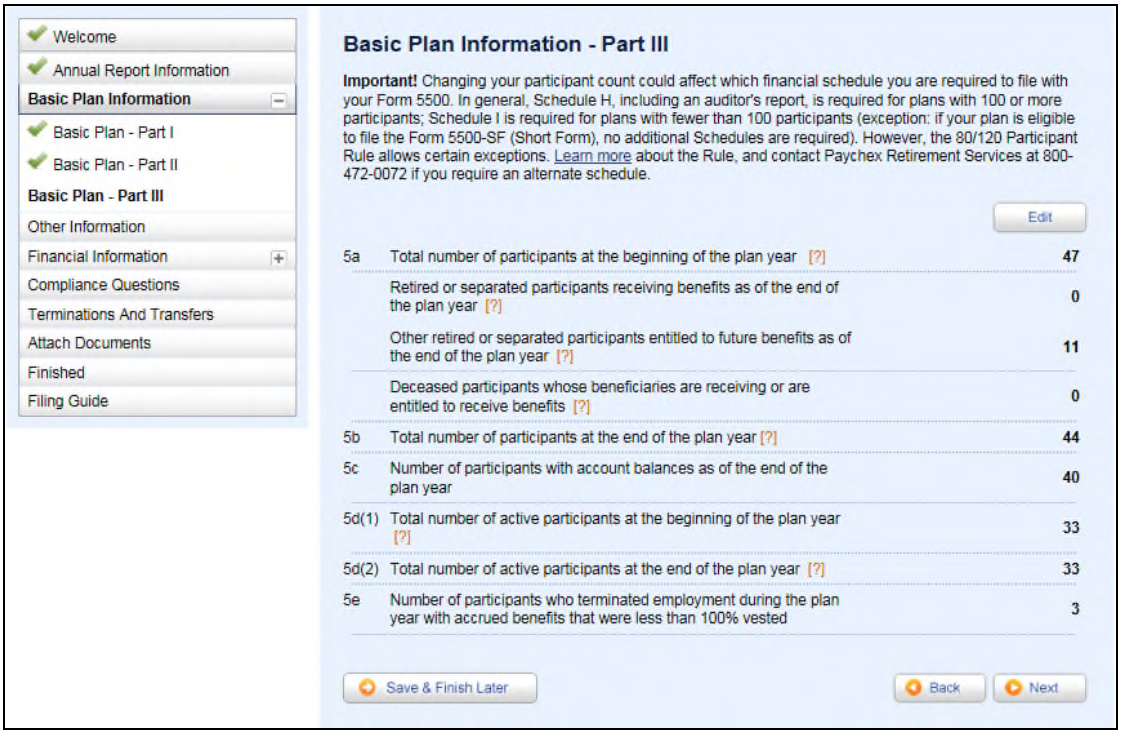
Pension Feature Codes

The plan codes on your form have been selected to describe your plan based on the elections and characteristics on file in Paychex records for your plan. We recommend that you do not change them.

Code	Description
2A	Age/Service Weighted or New Comparability plan
2B	Target Benefit plan
2C	Money Purchase Plan
2D	Offset plan
2E	Profit Sharing
2F	ERISA section 404(c) plan
2G	Total participant-directed account plan
2H	Partial participant-directed account plan
2I	Stock bonus
2J	Code section 401(k) feature
2K	Code section 401(m) arrangement
2L	Code section 403(b)(1) arrangement
2M	Code section 403(b)(7) accounts
2N	Code section 408 accounts and annuities
2R	Participant-directed brokerage accounts
2S	Automatic enrollment
2T	Plan uses default investment account for participants who fail to direct assets in their account
3B	Plan covering self-employed individuals
3C	Plan not intended to be qualified
3D	Pre-approved pension plan
3E	One - participant plan that satisfies minimum coverage requirements of Code Section 410(b) only when combine with another plan of the employer
3F	Plan sponsor received services of leased employees
3H	Plan sponsor is a member of a controlled group
3J	US based plan that covers residents of Puerto Rico and is qualified under both Code section 401 and section 8565 of Puerto Rico Code

Close

Basic Plan Information – Part III



Highlights from Basic Plan Information – Part III:

- **5a Total number of participants at the beginning of the plan year:** Determines which Form 5500 a client will file. This number must be less than 100 for a client to be eligible to file the Form 5500-SF. A client will have the ability to edit this information, but should be aware that changing the participant count could affect which version of the Form 5500 he will be required to file. This line is determined by taking the number of participants as of the end of the 2018 plan year plus any newly eligible employees as of January 1, 2019.

  Note: For first-year plans, this line will show any employees who met the plan eligibility requirements as of the effective date of the plan (January 1, 2019).

- **5b Total number of participants at the end of the plan year:** This line reflects all participants as of December 31, 2019.

- **5c Number of participants at the end of the plan year:** All active, eligible and terminated with an account balance as of December 31, 2019.

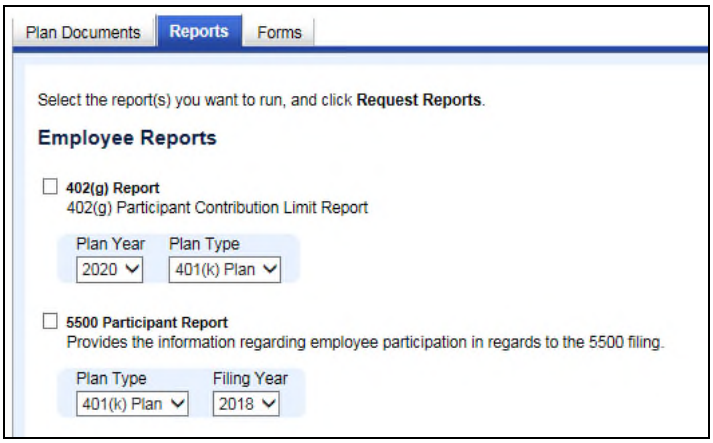
- **5d(1)&(2) Total number of active participants at the beginning of the plan year and Total number of active participants at the end of the plan year:** Active participant is defined as a plan participant who is currently employed by the client. It does not matter whether the participant has elected to make salary deferrals or has an account balance.

- **5(e) Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested:** This question requires reporting of all participants who terminated during the filing year that had an account balance that were not 100% vested.

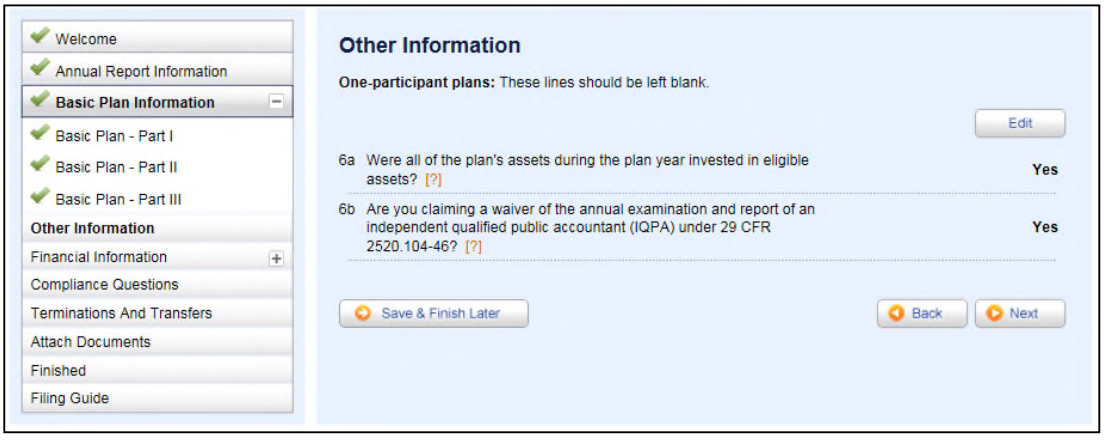
A **Participant Report** is available on the Employer Website and HRIS. This report lists the names of the employees that make up each of the participant count line items.

In **HRIS**, follow this path: **Year End | 5500 Reports and Processes | Participant Report**

On the **Employer Website**: **Documents & Reports | Reports | 5500 Participant Report**



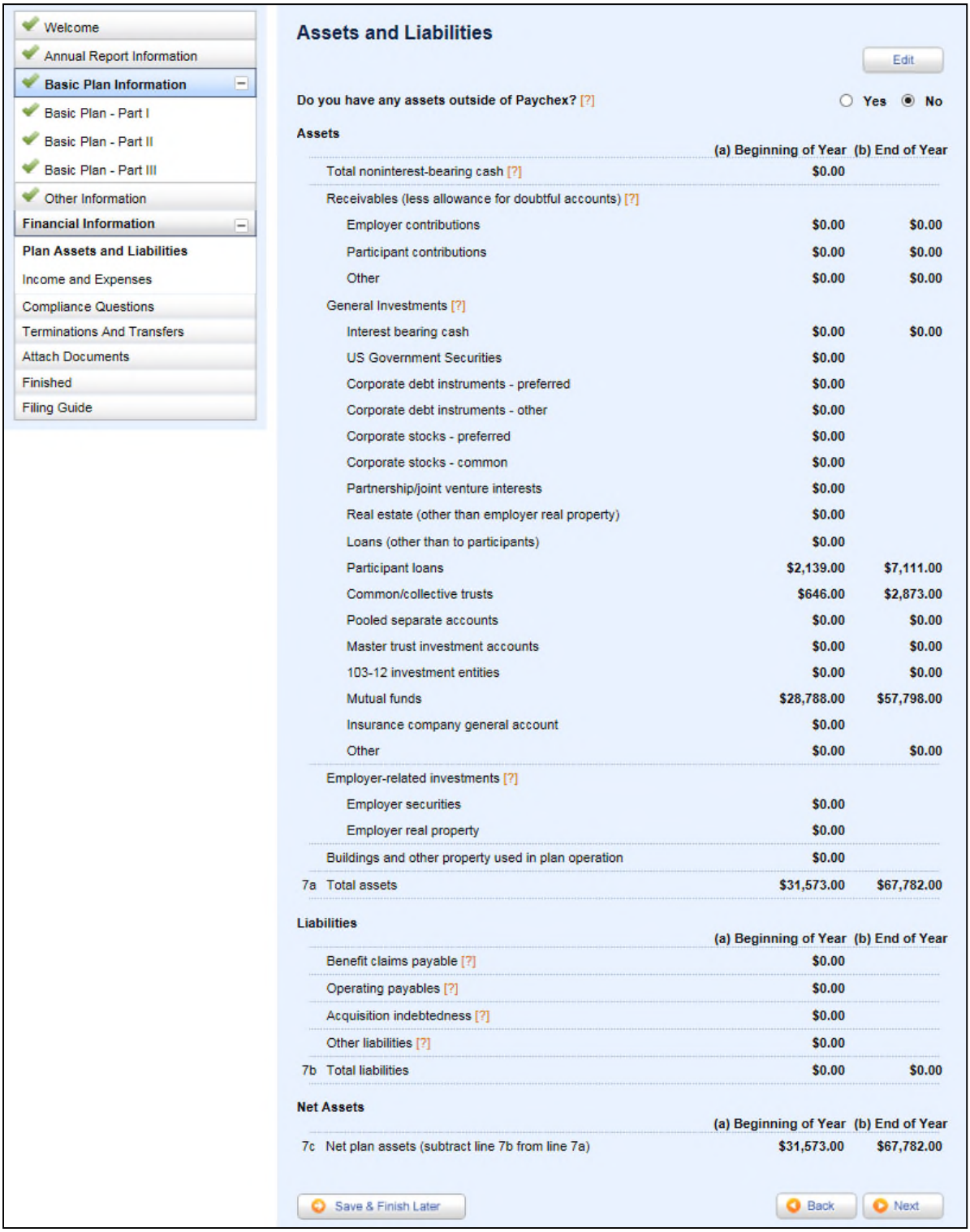
Other Information



Highlights from Other Information:

- **6b Are you claiming a waiver of the annual examination and report of an independent qualified public accountant…:** An audit completed by an IQPA is only required for clients filing a Form 5500 with a Schedule H.

Assets and Liabilities



Highlights from Assets and Liabilities:

- **Do you have any assets outside of Paychex?** This section will default to **No**, and it should only be marked **Yes** if a client converted his plan to Paychex (in any year) and has not transferred all of the assets as of December 31 of the filing year.

  If **Yes** is checked, the client must update the appropriate fields to reflect the correct amounts inclusive of the outside assets.

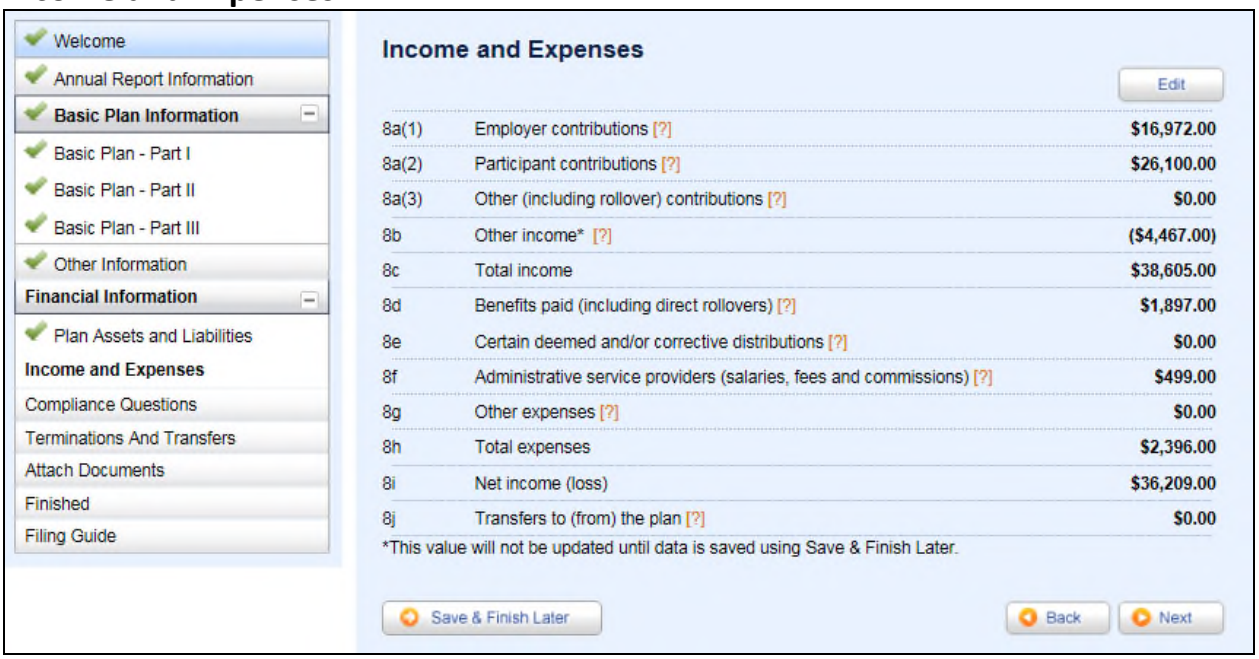
  Note: The client can only edit the **Beginning of Year** column. If changes are required in the **End of Year** column, submit a related case through Salesforce to Service Support via the 5500 reassignment category.

Clients often need additional information in order to reconcile the Assets and Liabilities section. The Plan Activity section on the Employer Website allows the client to see all trade activity back to 1/1/19. **Always encourage Plan Activity first.** Alternatively, a 957 report will also provide the client with the information needed to perform a reconciliation.

If the beginning of the year data contains all zeroes, the client *may* be a first year conversion client and may not have provided Paychex with the requested information. If that is the case, the client has two options:

1. Update the information on the Website himself
2. Send Paychex a Plan Valuation for 1/1/19-12/31/19, the 2018 Form 5500, and Schedules A and D (if applicable). If the conversion is complete, this should be sent to the 5500 Team via a related case for the form to be updated. Paychex will charge the client $150.

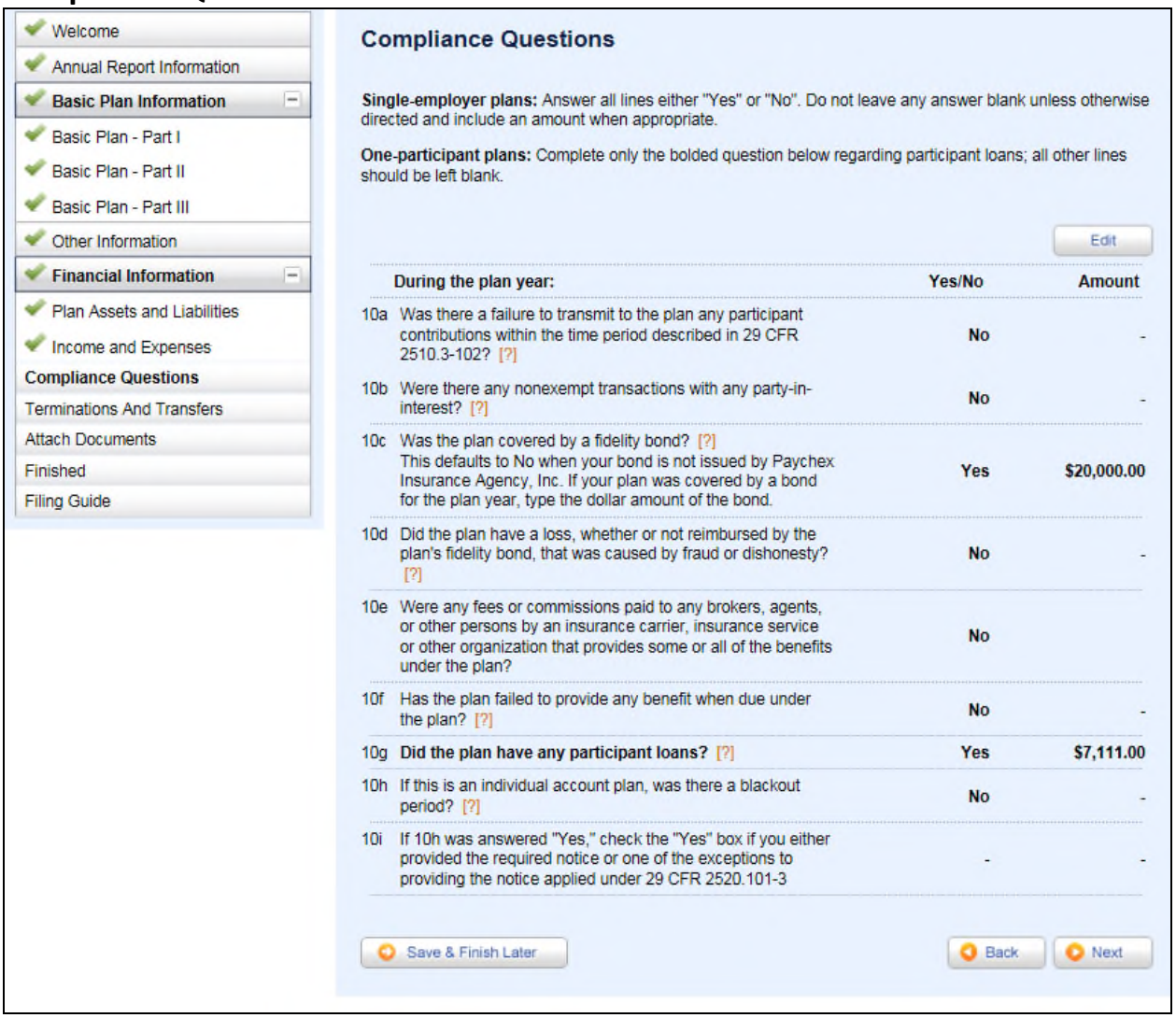
Income and Expenses



Highlights from Income and Expenses:
(Reports on a Cash Basis – only shows what traded 1/1-12/31)

- **8a(1) Employer contributions:** Includes employer match, Profit Sharing, Qualified Non-Elective Contribution (QNEC), and Non-Elective Contribution (NEC).
- **8a(2) Participant contributions:** Includes Pre-tax & Roth salary deferrals and Catch up contributions.
- **8a(3) Other (including rollover) contributions:** Includes employee rollover contributions received by the plan.
- **8b Other income:** Includes earnings or losses.
- **8c Total income:** Total of rows 8a(1) through (3) and 8b.
- **8d Benefits paid (including direct rollovers):** All distributions made to participants in 2019, other than corrective distributions.
- **8e Certain deemed and/or corrective distributions:** Includes loan defaults for active participants, as well as Return of Excess Contributions (ROE) due to a failed ADP/ACP test, 402(g) Excess Deferral distributions, and 415 Excess Annual Additions distributions.
- **8f Administrative service providers:** Includes amounts paid directly from plan assets to administrative service providers. For Paychex clients, examples of these fees include, but are not limited to, recordkeeping fees that are paid via plan assets, distribution processing fees, Mid- Atlantic Trust Company (MATC) Directed Trustee fees, and the ROC Annual Account Fee.
- **8g Other expenses:** Other administrative expenses charged to the plan.
- **8h Total expenses:** Total of rows 8d through 8g.
- **8i Net income (loss):** Subtract 8h from 8c.
- **8j Transfers to (from) the plan:** Net value of all assets transferred to and from the plan during the plan year, including those resulting from mergers and spinoffs.

Compliance Questions

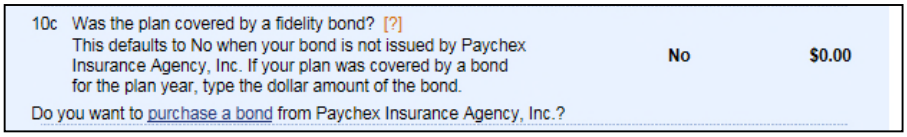


Highlights from Compliance Questions:

- **10c Was the plan covered by a fidelity bond?** This field will be auto-populated with an amount **only if the client purchased his fidelity bond through the Paychex Insurance Agency**. The amount will be equal to 10% of the assets as of 1/1 of the filing year. If a client did not purchase his bond through Paychex, the field will be marked **No**, even if the client's bond information had previously been provided to Paychex or was reported on the prior years' Form 5500.

  If this field is marked **Yes**, it cannot be changed by the client online. If the field is marked **No**, the client must input the bond amount or leave it marked No if he does not have a bond.

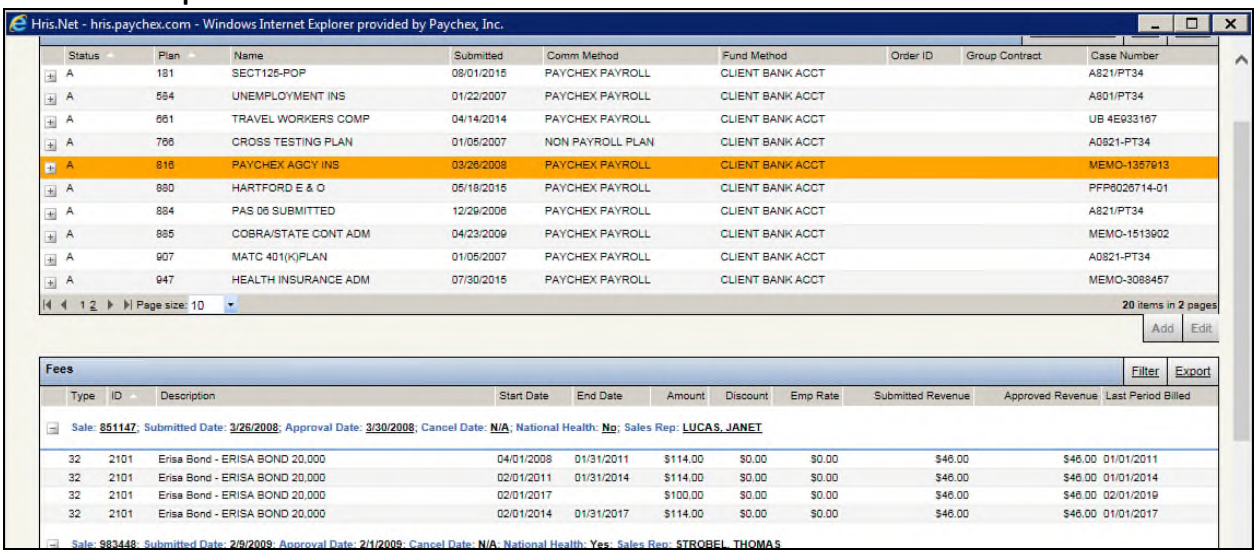
If a client does not have a bond, he may purchase one through the Paychex Insurance Agency by emailing **5500bond@paychex.com**. Sending this email notifies the Agency to reach out to the client regarding purchasing a bond.



Fidelity bonds are not retroactive; therefore, any bonds purchased in 2020 cannot be applied to the 2019 Form 5500 filing.

To verify if a fidelity bond was purchased through Paychex, use the following screen in HRIS:

Maintenance | Client Product Maintenance

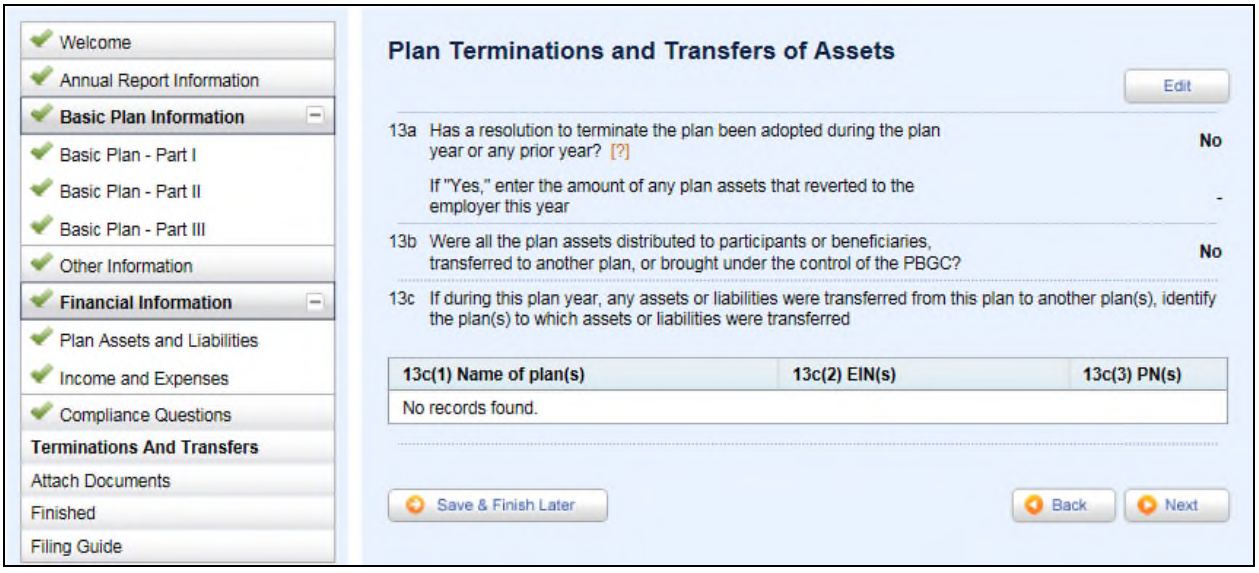


Note: May say **ERISA BOND** or **ZURICH BOND**

- **10g Did the plan have any participant loans?** Includes the total outstanding balance of all participants' loans as of December 31, 2019.

  Note: This is the only field on the Compliance Questions screen that must be completed if the client has a One-participant plan (a plan that covers only the owner and/or the owner's spouse).

Plan Terminations and Transfers of Assets



Highlights from Plan Terminations and Transfer of Assets:

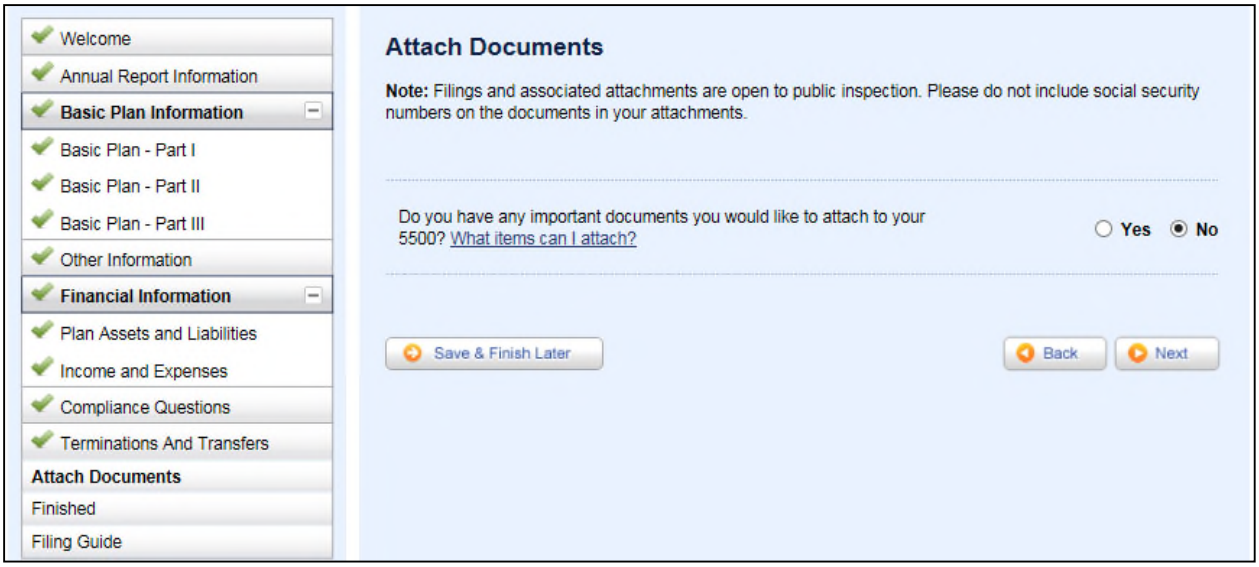
- **13a Has a resolution to terminate the plan been adopted during the plan year or any prior year?** This section will only be completed if the plan was terminated during the 2019 plan year, or earlier. If the client terminated his plan, he must enter the amount of any plan assets that reverted to the employer this year. A **"0"** should be entered if no reversion occurred during the current plan year.

  Note: It is highly unusual that plan assets would revert (go back) to the employer plan upon plan termination. In general, when a plan terminates, all amounts in the plan, including forfeitures, must be fully allocated to the participants.

Attach Documents

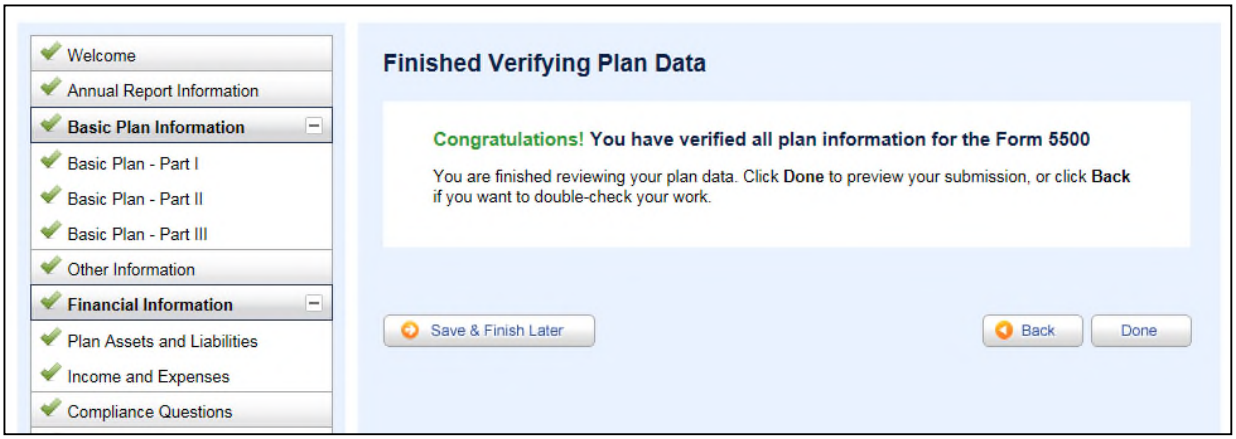
Highlights from Attach Documents:

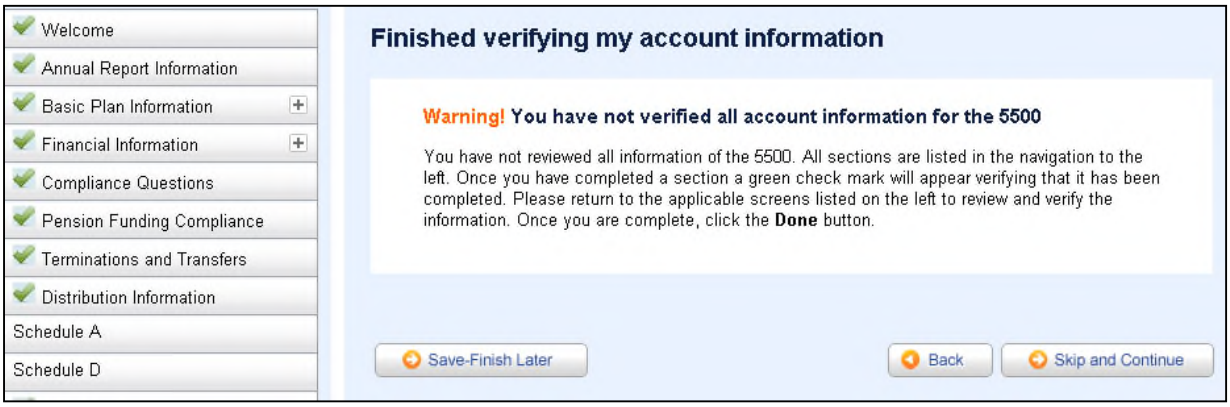
Clients filing the Form 5500-SF are not required to attach any documents before transmitting the return to the DOL.



Finished

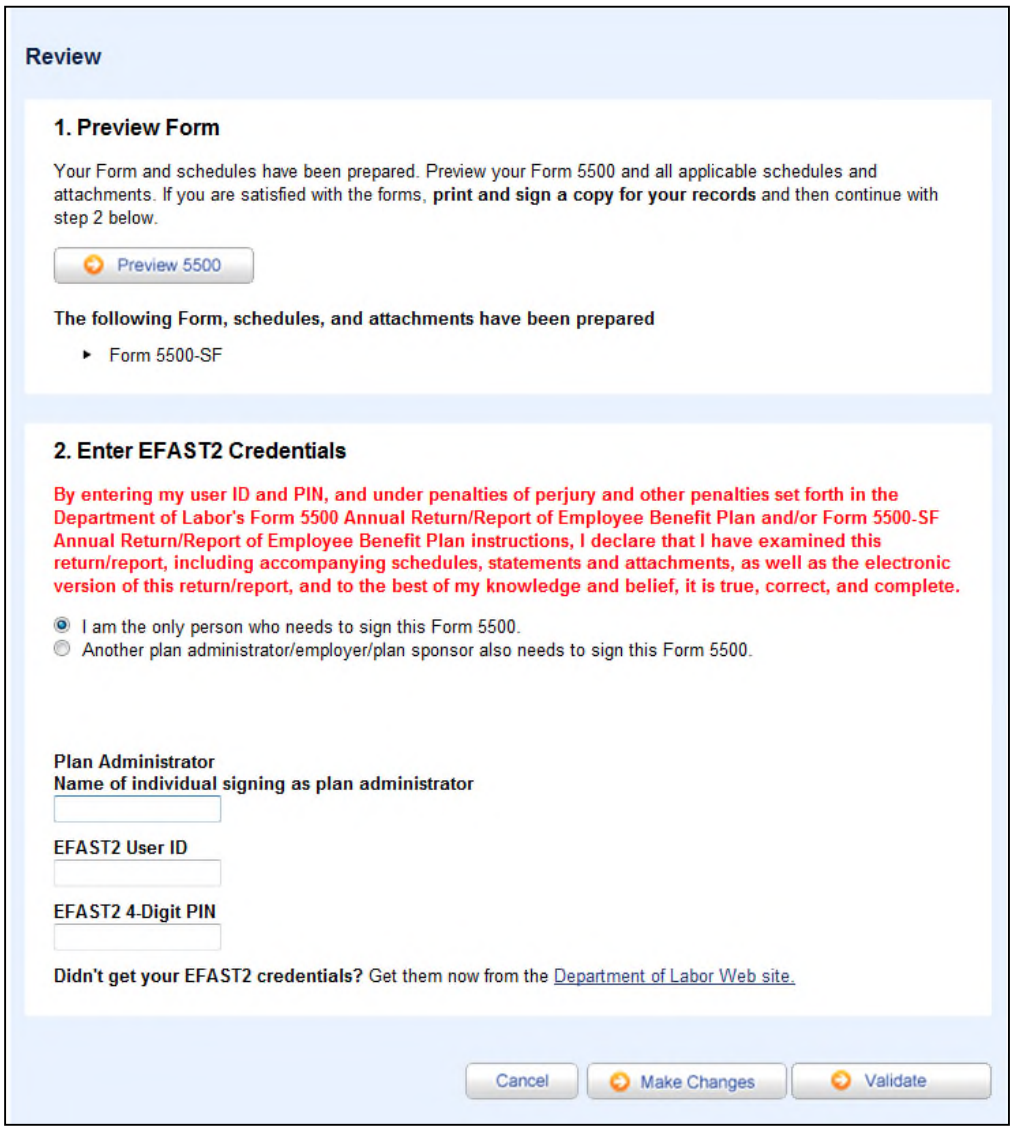
When the client has completed all required steps he will be taken to the **Finished** screen. If he has skipped any required steps (steps missing a green check mark on the navigation menu), he will be asked to go back to review anything that was missed.





Once the client has reviewed all sections of the Form 5500-SF, he may choose **Back** to view the information again, or, if satisfied, he may continue by choosing **Done**.

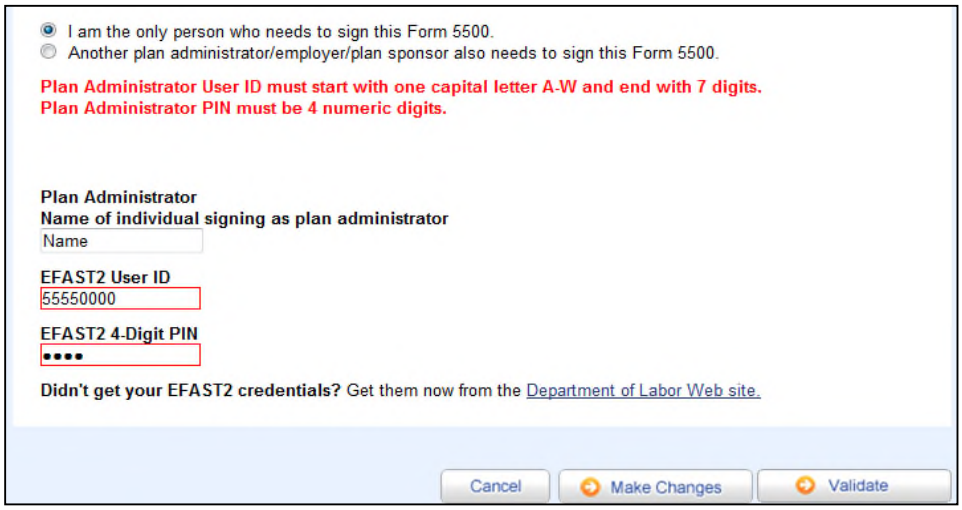
Review



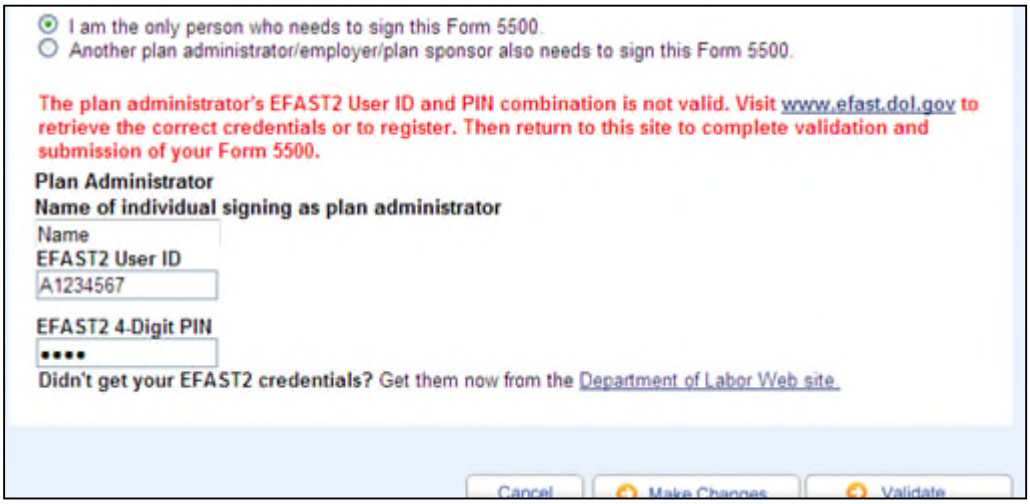
Next, the client will be directed to view the final version of the Form as it will appear to the DOL by choosing **Preview 5500**. If additional changes are needed, the client can select **Make Changes** at the bottom of the screen. This brings up the navigation menu, and the appropriate screens to make the changes can be selected. Once the client has determined that the correct information is contained in the Form he is directed to input his Name, User ID, and the 4-Digit PIN he received when registering for filing credentials with the DOL. When ready to submit, the client chooses **Validate** to proceed.

Filing Credential Errors

If the Plan Administrator enters DOL credentials that do not match the standard format, he will receive the following message in red:



If the Plan Administrator enters credentials that match the standard format, but do not match the records with the DOL registration, he will receive the following message in red:

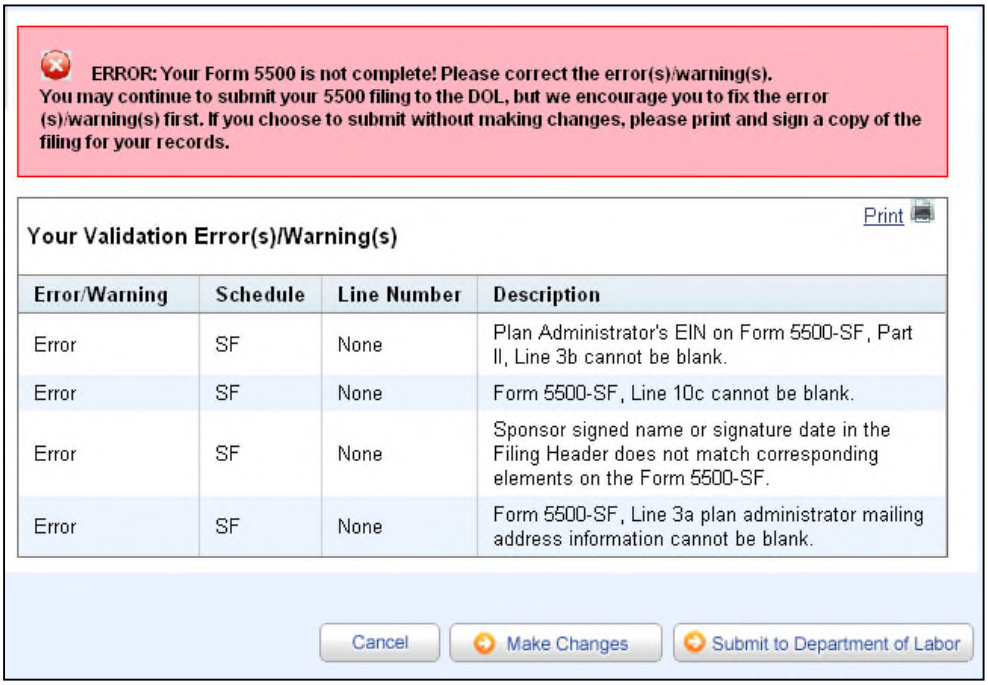


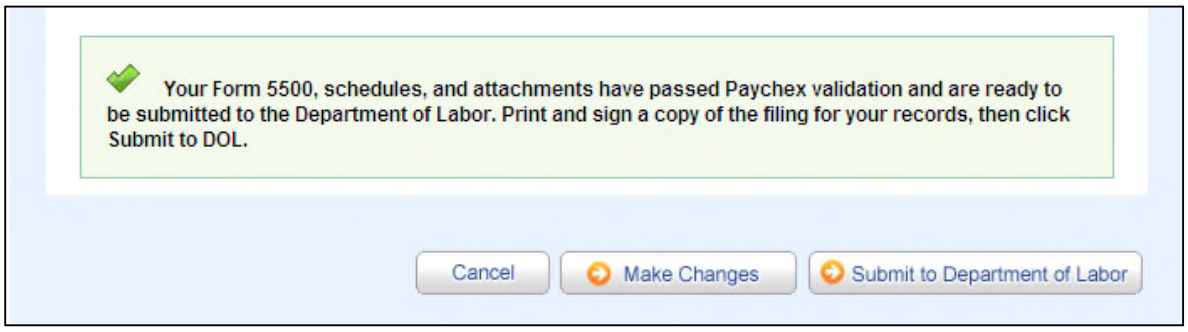
The Plan Administrator will not be able to continue with the validation and submission process until correct credentials are entered.

Submit

During the validation process, Paychex will scan the client's Form 5500 to ensure there are no errors that could prevent acceptance by the DOL. If the Paychex validation process reveals errors, the client will be advised to correct them and revalidate. If there are no errors, the client will be directed to complete the final submission process.

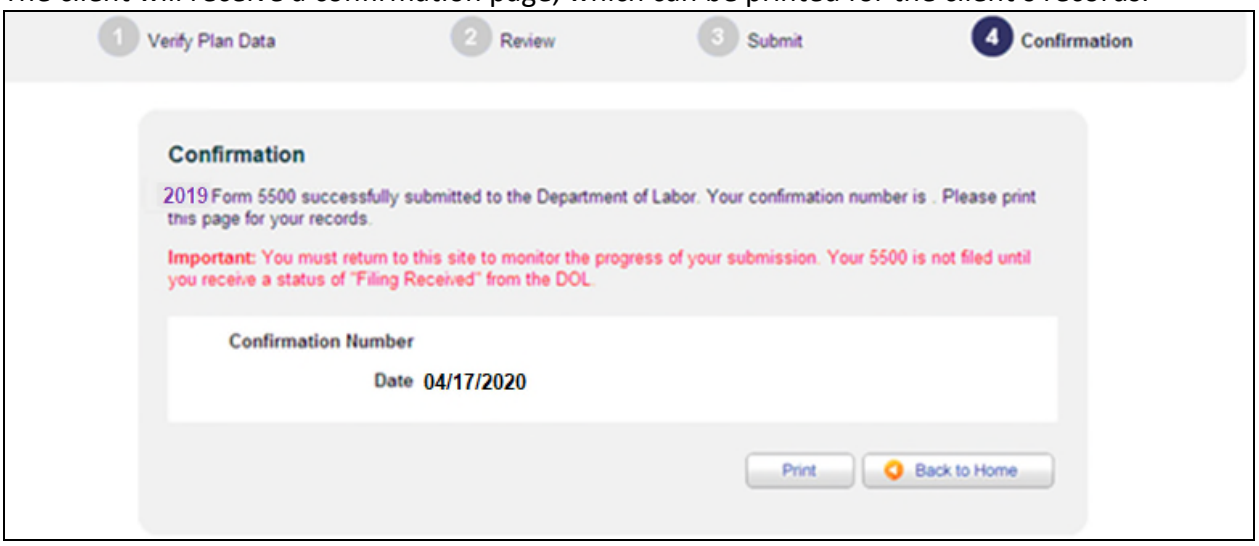
Important: The Paychex validation process will help to identify potential errors in a client's Form 5500-SF, but completing this process does not guarantee that a return will be accepted by the DOL.



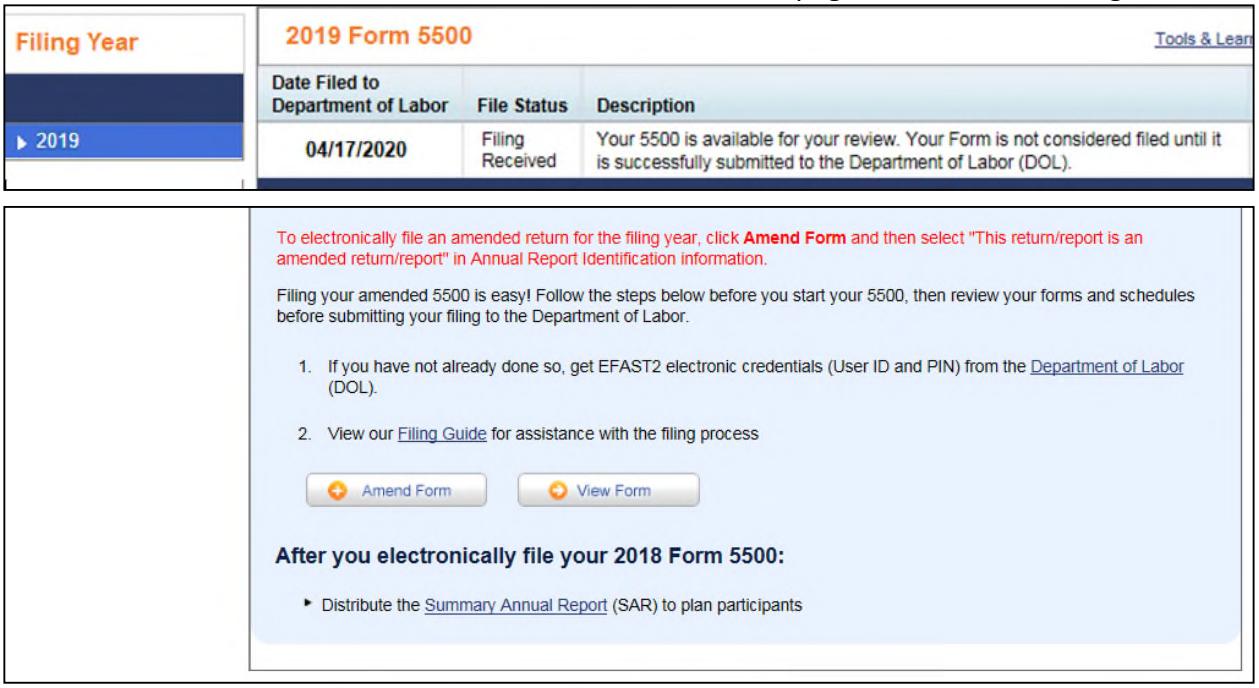


The client will then be given a final opportunity to make changes to the Form 5500. If no changes are necessary, he will click **Submit to Department of Labor**.

The client will receive a confirmation page, which can be printed for the client's records:



IMPORTANT: Once the Form 5500-SF has been submitted to the DOL, the client should select the **Back to Home** button to return to the Form 5500 Home page to confirm the filing status.



If the filing was successfully received, the client must then print, sign, and save a copy of the filing with his plan records. Regulations require the Plan Administrator to keep a copy of the Form 5500-SF/Form 5500, including schedules and attachments, with all required signatures, as part of the plan's records.

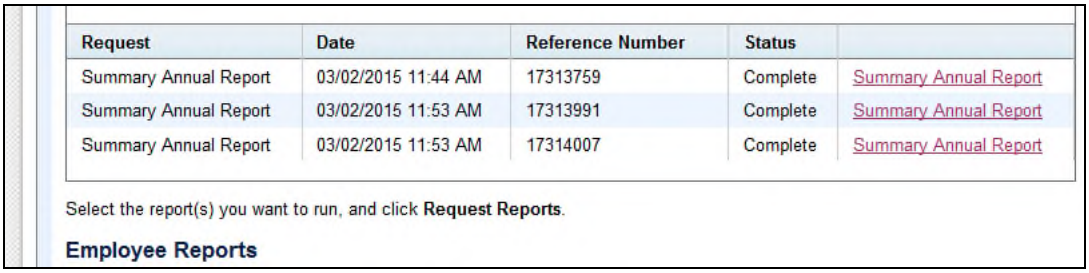
If errors have been reported in the return, the client must make any necessary corrections and resubmit his Form 5500-SF to the DOL.

After you electronically file your 2019 Form 5500:

The **Summary Annual Report (SAR)** is a summary of the information contained in the plan's Form 5500. The SAR must be distributed to plan participants and their beneficiaries receiving benefits under the plan no later than two months following the Form 5500 filing deadline (with extensions). **If the Form 5500 is due July 31, 2020, the SAR is must be distributed by September 30, 2020.**

A link to obtain the SAR will become available for the client to print once the 2019 Form 5500 is in Filing Received, Filing Stopped, or Filing Error status. Instruct the client to click on the **Summary Annual Report** link under "After you electronically file your 2019 Form 5500", click **Submit** on the Request Reports window and then go to **Documents & Reports | Reports** to open the PDF file.





The SAR is also available to be requested in the **Documents & Reports | Reports** section.

Form 5500 with Schedule I or Schedule H

Before you electronically file your 2019 Form 5500:

When a client who will be filing the Form 5500 with a Schedule I or H logs into the Paychex 401(k) Employer Website and navigates to the Form 5500 review and filing page, he will be asked to review some or all of the following steps:

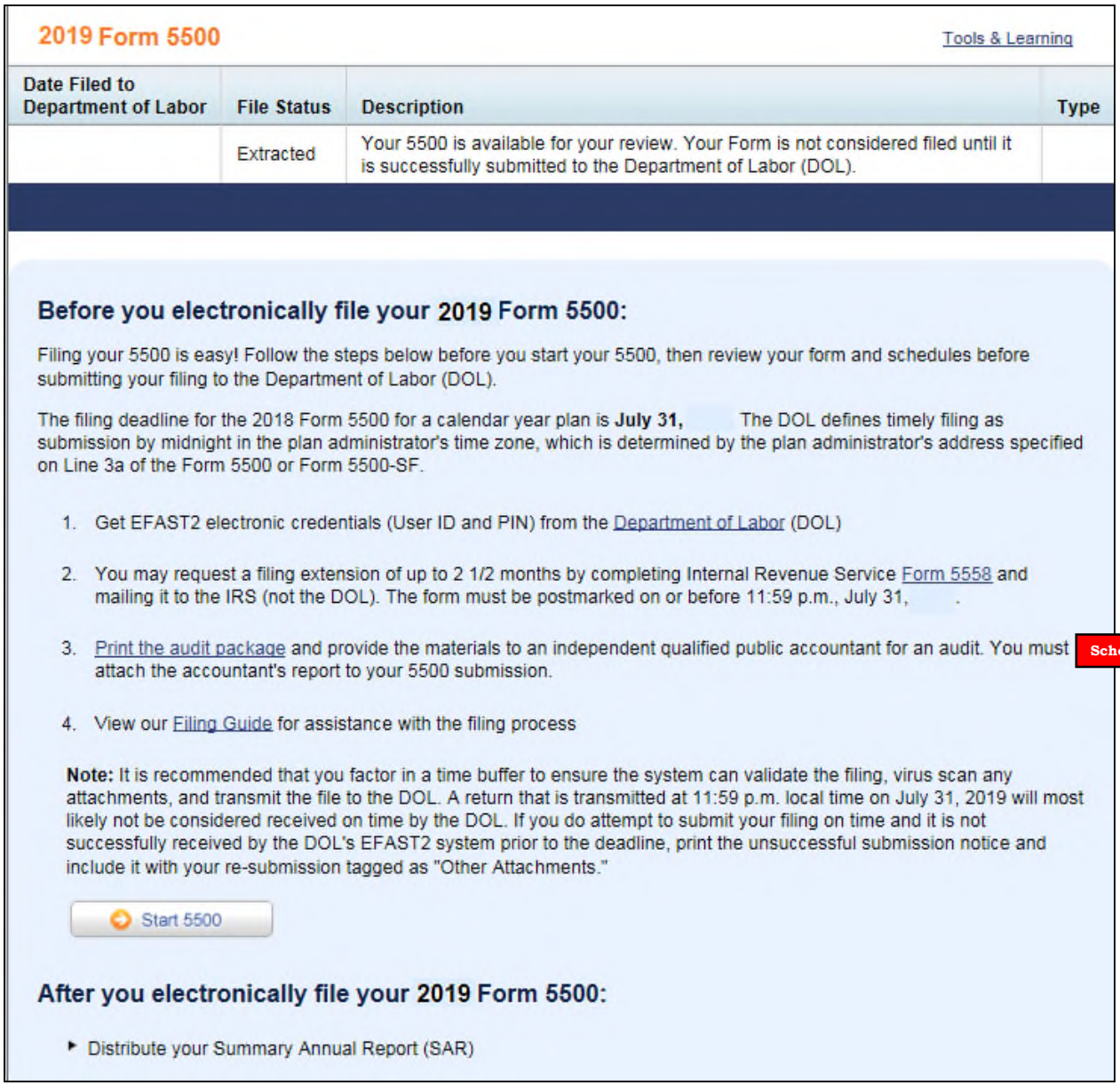
1. **Get EFAST2 electronic credentials (User ID and PIN) from the Department of Labor.** A link to efast.dol.gov will be available for the client to register for credentials, if he has not already completed this step in the past.

2. **Request a filing extension, if necessary.** An extension of up to 2 1/2 months may be requested by completing the Form 5558 and filing it with the IRS (not the DOL). A link to the Form 5558 is included.

3. **Print the Audit Package and provide the materials to an Independent Qualified Public Accountant (IQPA) for an audit.** Applies only for Schedule H filers.

4. **Viewing our Filing Guide for assistance with the filing process.**

Important: The client will only see steps that are applicable to his filing. For example, Schedule I filers will not have the ability (or need) to view or print an audit package. Sections applicable to only one Schedule will be marked with either **Schedule I** or **Schedule H** throughout this training module (note that these indicators do not appear on the Paychex Employer Website).



2019 Form 5500

Tools & Learning

Date Filed to Department of Labor	File Status	Description	Type
	Extracted	Your 5500 is available for your review. Your Form is not considered filed until it is successfully submitted to the Department of Labor (DOL).	

Before you electronically file your 2019 Form 5500:

Filing your 5500 is easy! Follow the steps below before you start your 5500, then review your form and schedules before submitting your filing to the Department of Labor (DOL).

The filing deadline for the 2018 Form 5500 for a calendar year plan is **July 31,** The DOL defines timely filing as submission by midnight in the plan administrator's time zone, which is determined by the plan administrator's address specified on Line 3a of the Form 5500 or Form 5500-SF.

1. Get EFAST2 electronic credentials (User ID and PIN) from the Department of Labor (DOL)
2. You may request a filing extension of up to 2 1/2 months by completing Internal Revenue Service Form 5558 and mailing it to the IRS (not the DOL). The form must be postmarked on or before 11:59 p.m., July 31, .
3. Print the audit package and provide the materials to an independent qualified public accountant for an audit. You must attach the accountant's report to your 5500 submission.
4. View our Filing Guide for assistance with the filing process

Note: It is recommended that you factor in a time buffer to ensure the system can validate the filing, virus scan any attachments, and transmit the file to the DOL. A return that is transmitted at 11:59 p.m. local time on July 31, 2019 will most likely not be considered received on time by the DOL. If you do attempt to submit your filing on time and it is not successfully received by the DOL's EFAST2 system prior to the deadline, print the unsuccessful submission notice and include it with your re-submission tagged as "Other Attachments."

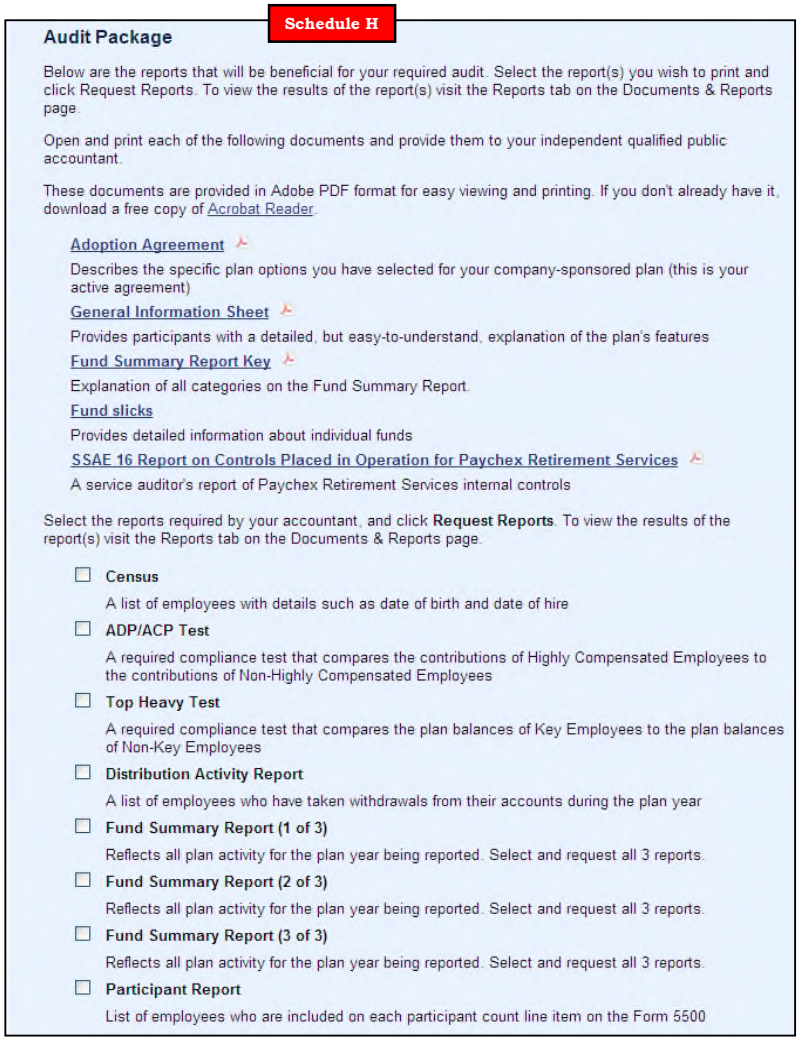
Start 5500

After you electronically file your 2019 Form 5500:

- Distribute your Summary Annual Report (SAR)

Schedule H

If a Schedule H client clicks the link to print his audit package, he will be taken to this screen:

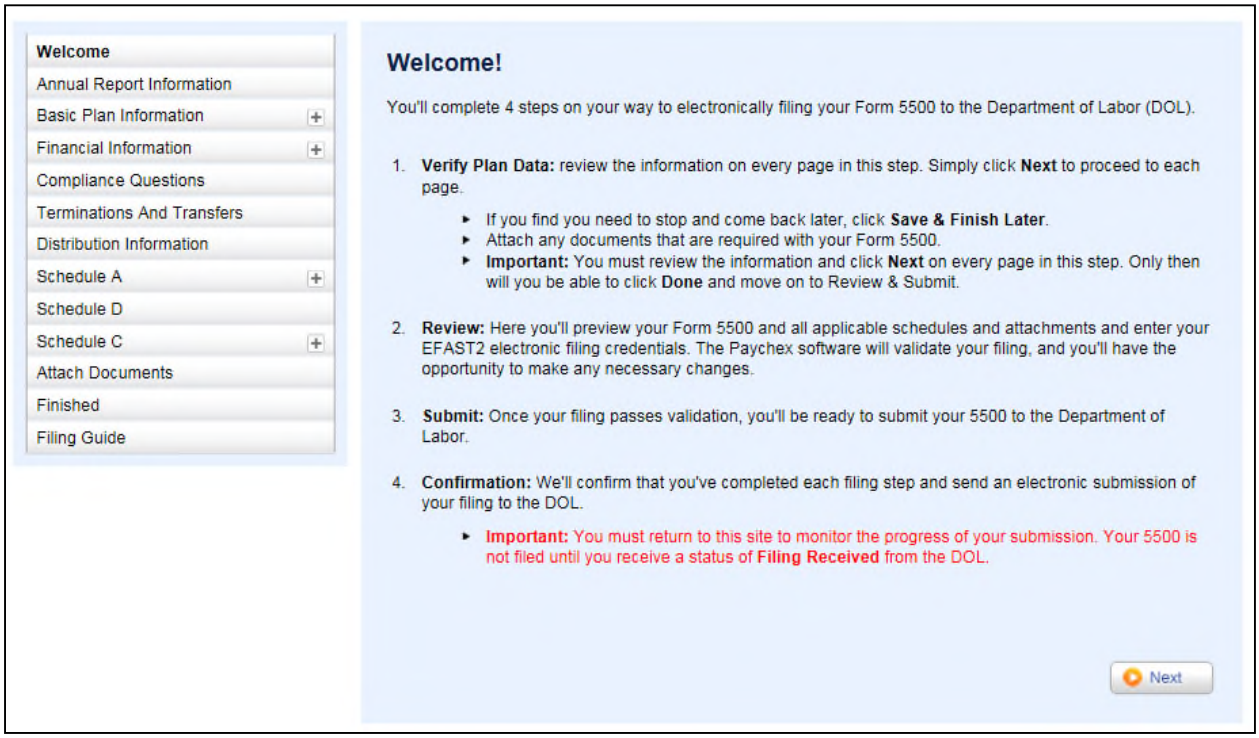


On the **Audit Package** screen, Schedule H clients can link directly to the plan's Adoption Agreement and General Information Sheet, all available fund slicks, and a copy of the SSAE 16 (SOC 1). He may also access a Census Report, copies of his compliance tests, Distribution Activity Report, Fund Summary Reports and the Participant Report.

Important: The SSAE 16 (SOC 1) is a Service Auditor's Report that allows organizations, such as Paychex, to disclose control activities and processes to customers and customers' auditors in a uniform reporting format.

Once the client has completed all initial required steps, he will choose **Start 5500** to begin the filing process.

Welcome Screen



Although the filing process will be similar for clients filing the Form 5500-SF and the Form 5500 with a Schedule I or H, there are several differences. The navigation menu on the left side of the screen is longer for Schedule I or H clients, as these clients must report a greater amount of information.

As with the Form 5500-SF, however, the navigation menu will help the client track his progress through the filing process. A green check mark will indicate that a section of the Form 5500 has been reviewed, and the client may navigate to any specific section by choosing the section heading on the menu.

The Welcome screen also outlines the steps the client will be taking during the filing process.

1. **Verify Plan Data:** Allows the client to review all information on the Form 5500 and make changes as necessary.

2. **Review:** Gives the client the opportunity to validate all information viewed in the **Verify Plan Data** step before submitting to the DOL.

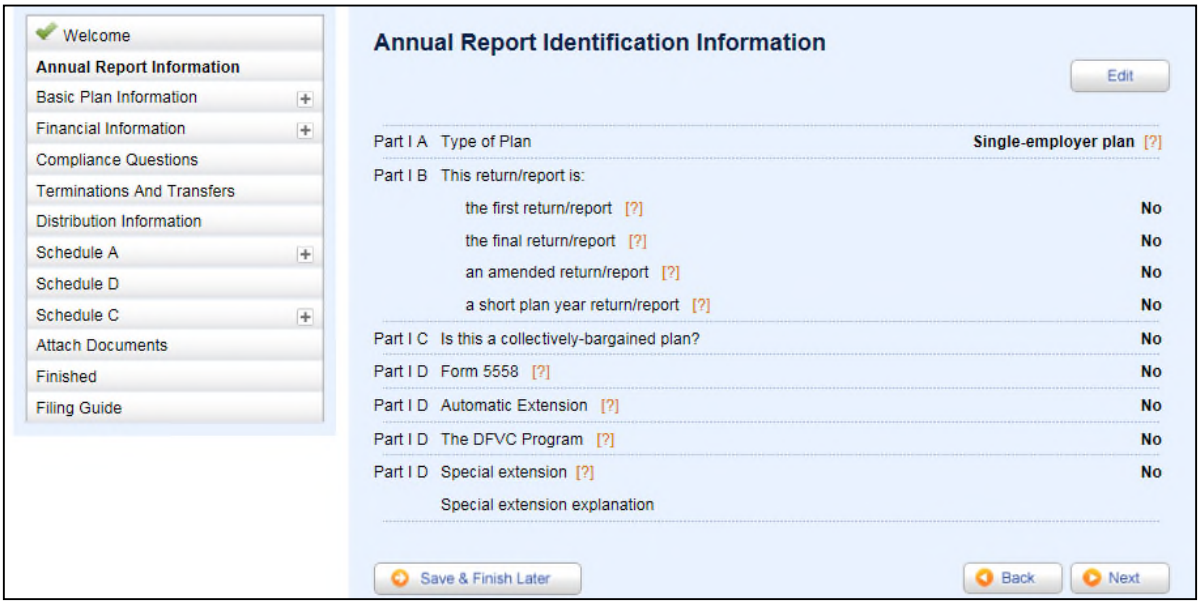
3. **Submit:** Transmits the Form 5500 with applicable schedules and attachments to the DOL.

4. **Confirmation:** Verifies that all required information has been submitted.

When the client is ready to proceed, he will select **Next** and will be taken to a step-by-step review of the Form 5500. As the client navigates through the Form 5500 review process, he will be asked to verify that his plan information is correct. The client may also hover over the yellow question marks embedded in each page for additional assistance. All information is pre-populated on the Form and comes directly from HRIS, but it is the client's responsibility to ensure that it is accurate. If any changes are necessary, the client may choose **Edit** at the top of the screen.

Important: As a reminder, if a client makes changes to his Form 5500, the change will not carry over to HRIS. If a client needs to change information, such as his business name, address, Employer Identification Number (EIN), or Business Code, he must also contact Paychex to have the change reflected permanently in our records.

Annual Report Identification Information



Highlights from Annual Report Identification Information:

- **Part I A Type of Plan:** All Paychex clients are single-employer plans or One-participant plans; even clients that are a controlled ownership ("parent –child" arrangement). One-participant plans are discussed on page 71.

- **Part I D Form 5558:** Should be marked **Yes** by the client **only** if he has requested an extension of his filing deadline by submitting the Form 5558 to the IRS, and the date the filing is being submitted on the Employer website is later than the original not extended deadline. Paychex will automatically check this field **Yes** if it has filed a Form 5558 on the client's behalf.

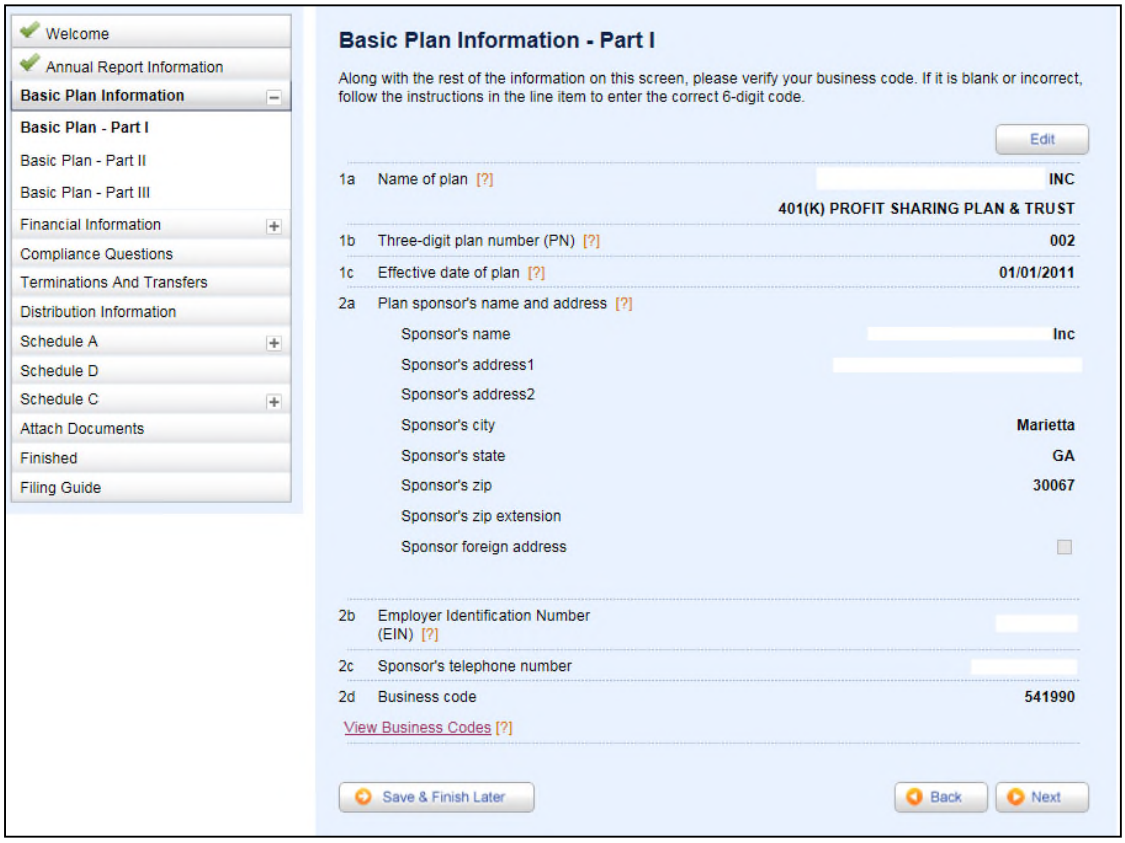
- **Part I D Automatic Extension:** May be marked **Yes** by the client if he has requested an extension of the filing deadline for his corporate taxes and would like an extension for filing the Form 5500.

  Example: Company A's corporate tax year is the calendar year. Company A has received an extension to file its 2019 federal corporate tax return from March 15, 2020 to September 15, 2020. Company A automatically has an extension to file its 2019 Form 5500 from July 31, 2020, to September 15, 2020. A Form 5558 does not need to be filed with the IRS.

- **Part I D DFVC Program:** Should be marked **Yes** by the client if he is filing under the DOL Delinquent Filer Voluntary Compliance Program. This only applies for delinquent filings and will always remain **No** for returns filed by the DOL deadline.

When finished reviewing any page, the client may choose **Save & Finish Later** and return to the Form 5500 at any time or **Next** to continue with the review process.

Basic Plan Information – Part I



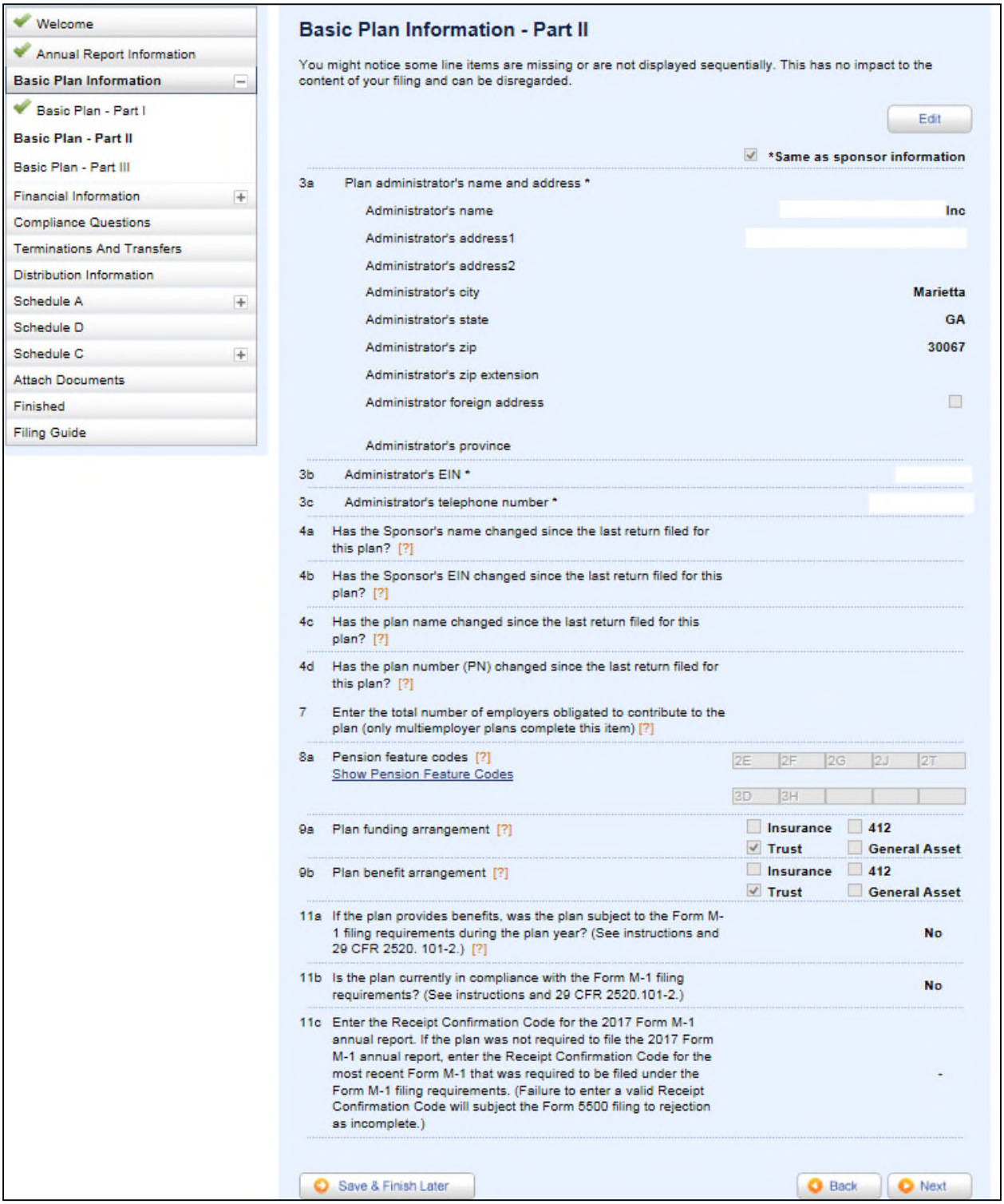
Highlights from Basic Plan Information – Part I:

1b Three-digit plan number (PN): This identifies the number of retirement plans the employer has maintained. This number can be confirmed on the **General Tab** of **Plan Elections**.

2d Business code*:* A **Business Code** is a six-digit number that best describes the nature of the plan sponsor's business. If the business code is missing from the Form 5500, the client must enter a Business Code in order to pass validation. If the client has a blank Business Code in HRIS, but has filed at least one Form 5500 through the Employer Website with the Business Code completed, the Form 5500 will pull that information on to the next year's Form.

For assistance with the Business Code, the client should click on the **View Business Codes** link. A new window will be displayed that will list all Business Codes. The client can use this information to help determine his code and enter the information on the Form.

Basic Plan Information – Part II (Highlights on next page)

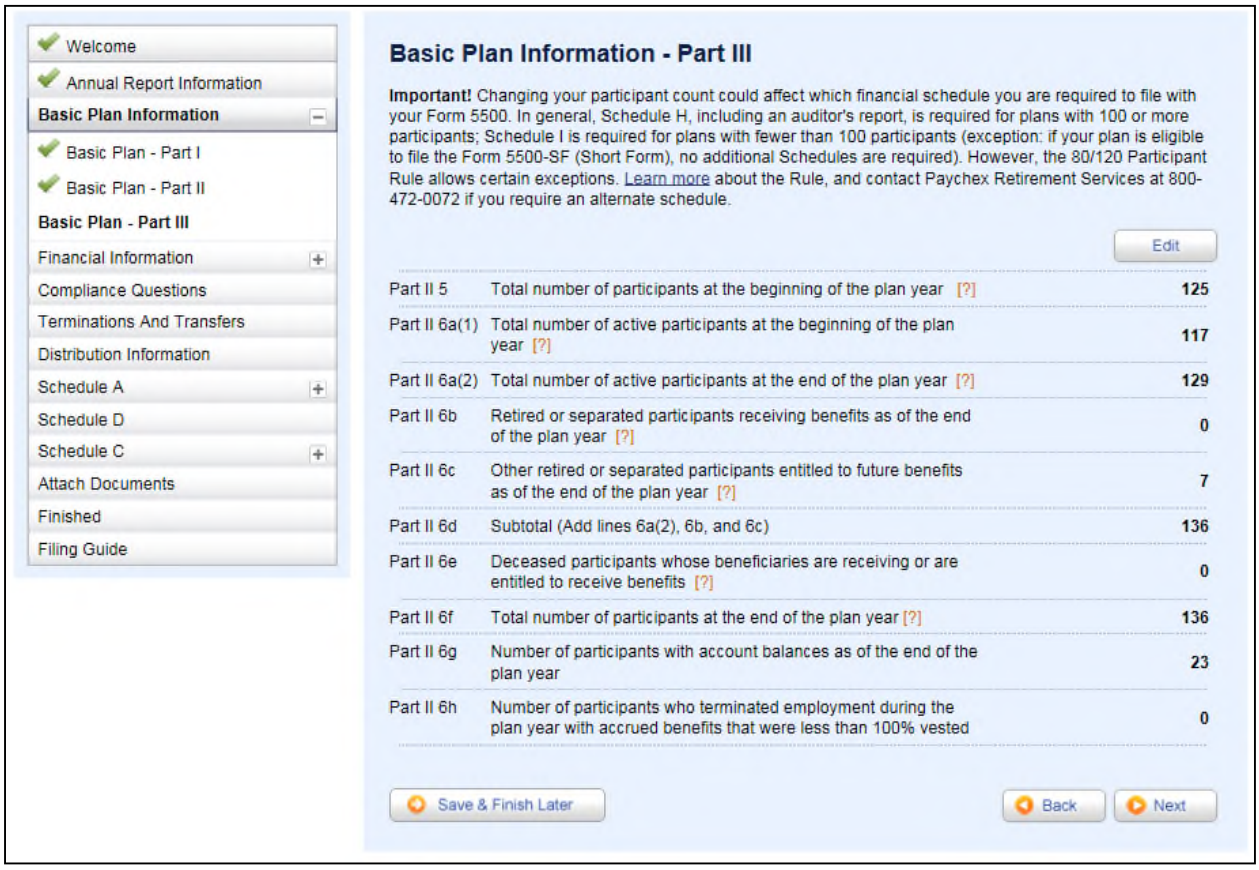


Highlights from Basic Plan Information – Part II:

- **3b Administrator's EIN:** If the Employer Identification Number (EIN) in Paychex' records is the client's social security number, he must edit this to his EIN. If the client doesn't have an EIN, he must contact the IRS to obtain one. This can be done online. The Form 5500 is a public record; therefore, it should never contain social security numbers.

- **8a Pension feature codes:** These codes are used to describe certain features of the plan. For example, 401(k) plans are indicated with code 2J, and plans that use a New Comparability Profit Sharing formula include code 2A. Clients can view a list of these codes by clicking on the **Show Pension Feature Codes** link and make any changes as needed. See page 26 for a screen shot of the codes.

Basic Plan Information – Part III



Highlights from Basic Plan Information – Part III:

- **Part II 5 Total number of participants at the beginning of the plan year:** Determines whether a client will file a Form 5500 with a Schedule I or a Form 5500 with a Schedule H. Clients with fewer than 100 participants in line Part II 5 (and do not have a Form 5500-SF prepared) will be provided with a Schedule I, whereas clients with 100 or more participants in line Part II 5 will be provided with a Schedule H. Information reflected on this line is determined by taking the number of participants as of the end of the 2018 plan year plus any newly eligible employees as of January 1, 2019. For first-year plans, this line will show any employees who met the plan eligibility requirements as of the effective date of the plan (January 1, 2019).

- **Part II 6a (2) Total Active participants as of the end of the plan year:** This line reflects all participants employed by the company as of December 31, 2019.

- **Part II 6h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested:** Include any individual who terminated employment during the plan year, whether or not he received a distribution or deemed distribution of his or her account balance.

80/120 Participant Rule

This rule allows plans with between 80 and 120 participants, as of the 1st day of the plan year, to file the Form 5500 in the same category as indicated on the prior year Form 5500 filing.

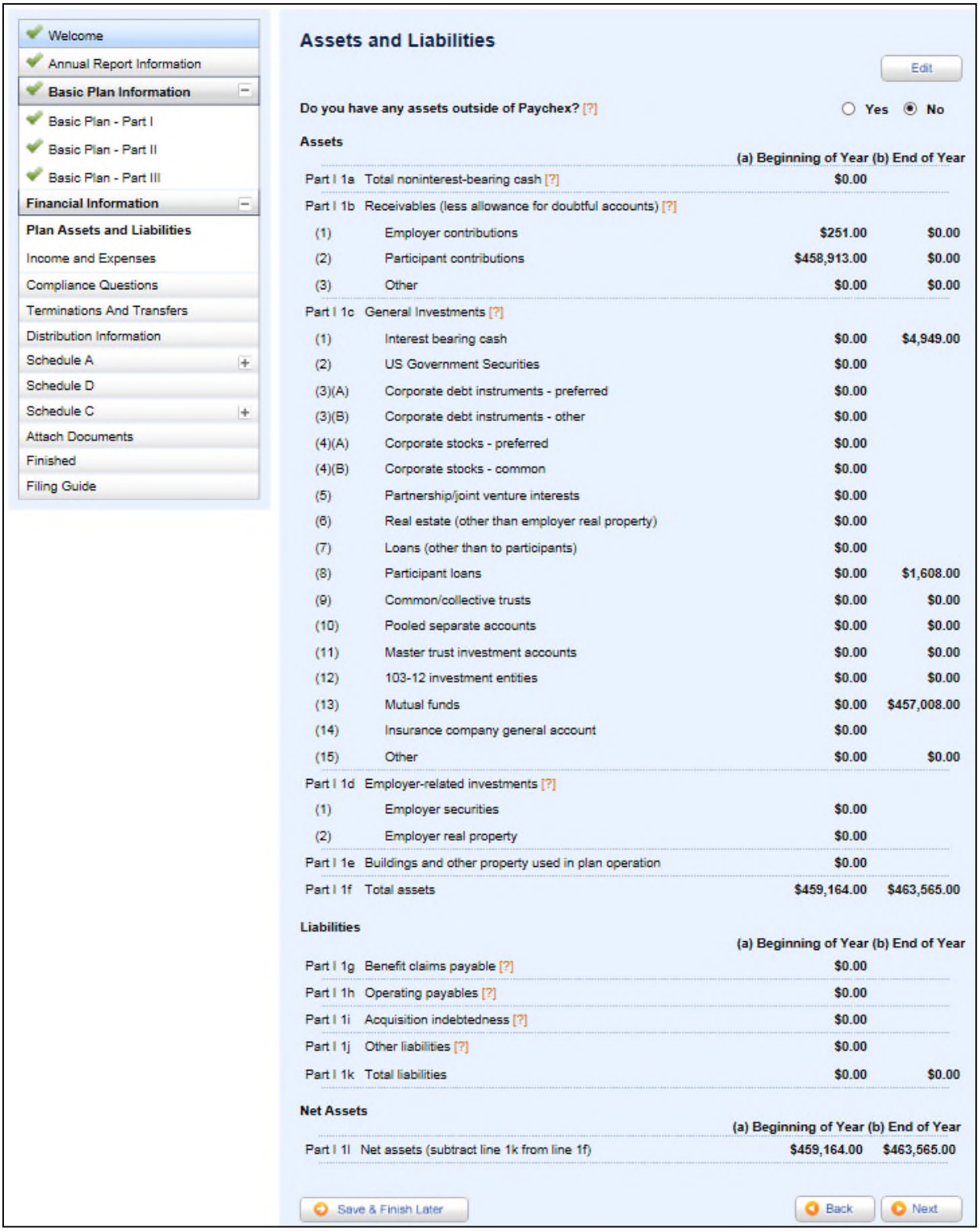
Scenario #1*: In 2018 a client's participant count was less than 100, and the client filed a Form 5500-SF. In 2019 the client's participant count is greater than 100, but not greater than 120, so the client can still file a Form 5500-SF.*

Scenario #2*: In 2018, a client's participant count was 100 or greater, and the client filed a Form 5500 with Schedule H. In 2019, the client's participant count is less than 100, but not less than 80, so the client can still file a Form 5500 with Schedule H if he chooses to do so.*

Paychex runs a query to find clients impacted by Scenario #1 and prepares their Form as an SF or Form 5500 with Schedule I. Paychex does not automatically switch clients in Scenario #2.

If any other client would like to utilize the 80/120 Participant Rule, he must contact Paychex to have a new financial schedule prepared. When contacted by a client with this request, submit a related case to Service Support via Salesforce.

Assets and Liabilities



Highlights from Assets and Liabilities:

Do you have any assets outside of Paychex? This section will default to **No** and should only be marked **Yes** if a client converted his plan to Paychex (in any year) and has not transferred all of the plan assets by December 31 of the filing year.

If **Yes** is checked, the client must update the appropriate fields to reflect the correct amounts inclusive of the outside assets.

Note: The client can only edit the **Beginning of Year** column. If changes are required in the **End of Year** column, submit a related case through Salesforce to Service Support.

Clients often need additional information in order to reconcile the Assets and Liabilities section. The Plan Activity section on the Employer Website allows the client to see all trade activity back to 1/1/19. Alternatively, a 957 report will also provide the client with the information needed to perform a reconciliation.

If the beginning of the year data contains all zeroes, the client *may* be a first year conversion client and may not have provided Paychex with the requested information. If that is the case, the client has two options:

1. Update the information on the Website himself
2. Send Paychex a Plan Valuation for 1/1/19-12/31/19, the 2018 Form 5500, and Schedules A and D (if applicable). If the conversion is complete this should be sent to the 5500 team, via a related case, for the form to be updated. Paychex will charge the client $150

Income and Expenses (Schedule I)



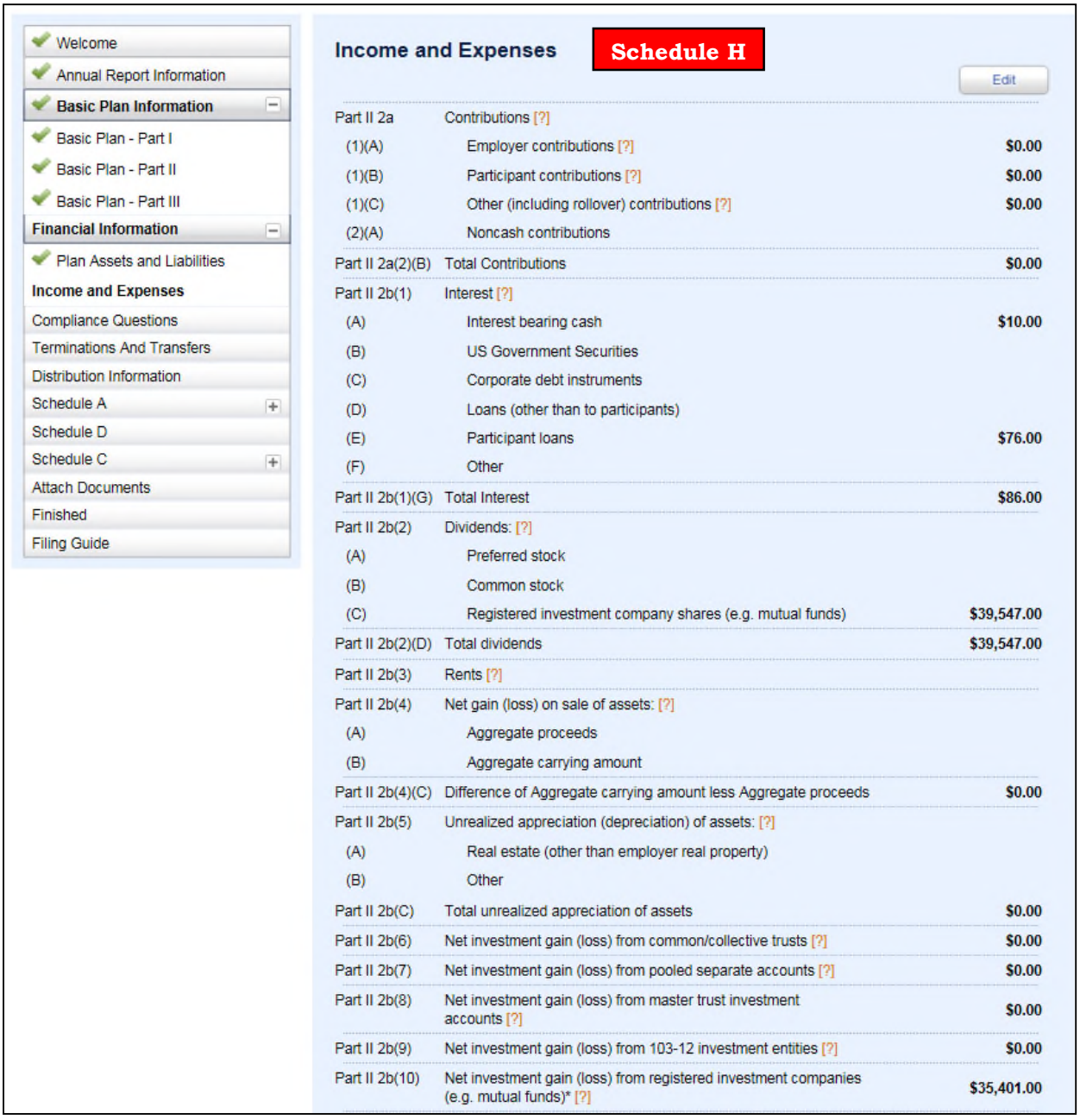
Income and Expenses **Schedule I** Edit

2a(1)	Employer contributions [?]	
2a(2)	Participant contributions [?]	
2a(3)	Other (including rollover) contributions [?]	
2b	Noncash contributions	
2c	Other income [?]	
2d	Total income	$0.00
2e	Benefits paid (including direct rollovers) [?]	
2f	Corrective distributions [?]	
2g	Certain deemed distributions of participant loans [?]	
2h	Administrative service providers (salaries, fees and commissions) [?]	
2i	Other expenses [?]	
2j	Total expenses	$0.00
2k	Net income (loss)	$0.00
2l	Transfers to (from) the plan [?]	
3a	Partnership/joint venture interests [?]	No
3b	Employer real property [?]	No
3c	Real Estate [?]	No
3d	Employer securities [?]	No
3e	Participant loans [?]	
3f	Loans (other than to participants) [?]	No
3g	Tangible personal property [?]	No

Highlights from Income and Expenses (Schedule I):
(Reports on a Cash Basis – only shows what traded 1/1-12/31)

- **2a(1) Employer contributions:** Includes employer match, Profit Sharing, Qualified Non-Elective Contribution (QNEC), and Non-Elective Contribution (NEC).
- **2a(2) Participant contributions:** Includes Pre-tax and Roth salary deferral contributions and Catch-up.
- **2a(3) Other (including rollover) contributions:** Includes employee rollover contributions received by the plan.
- **2c Other income:** Includes earnings or losses.
- **2e Benefits paid (including direct rollovers):** All distributions made to participants in 2019.
- **2f Corrective distributions:** Includes 402(g) excess distributions and Return of Excess (ROE) distributions.
- **2g Certain deemed distributions of participant loans:** Includes loan defaults for certain active participants.
- **2h Administrative service providers:** Includes amounts paid directly from plan assets to administrative service providers. For Paychex clients, examples of these fees include, but are not limited to, recordkeeping fees that are paid via plan assets, distribution processing fees, Mid- Atlantic Trust Company (MATC) Directed Trustee fees, and the ROC Annual Account Fee.
- **2i Other expenses:** Includes distribution fees.
- **3e Participant loans:** Reports the outstanding balances of all participant loans as of December 31, 2019.

Income and Expenses (Schedule H)



Continued on next page.

Schedule H

Part II 2c	Other income	
Part II 2d	Total income	$75,034.00
Part II 2e	Benefit payments: [?]	
(1)	Directly to participants or beneficiaries, including direct rollovers	$68,815.00
(2)	To insurance carriers for the provision of benefits	
(3)	Other	
Part II 2e(4)	Total benefit payments	$68,815.00
Part II 2f	Corrective distributions [?]	$0.00
Part II 2g	Certain deemed distributions of participant loans [?]	$0.00
Part II 2h	Interest expense [?]	
Part II 2i	Administrative expenses: [?]	
(1)	Professional fees	
(2)	Contract administrator fees	$1,818.00
(3)	Investment advisory and management fees	$0.00
(4)	Other	$0.00
Part II 2i(5)	Total administrative expenses	$1,818.00
Part II 2j	Total expenses	$70,633.00
Part II 2k	Net income(loss)	$4,401.00
Part II 2l	Transfers of assets: [?]	
(1)	To this plan	
(2)	From this plan	

Accountant's Opinion

If the opinion of an independent qualified public accountant is attached to this Form 5500, complete lines 3a through 3c. OR, if an opinion is not attached, complete line 3d. Completing line 3d deletes any data on lines 3a through 3c, and vice versa.

Part III 3a	The attached opinion of an independent qualified public account for this plan is:	(1)Unqualified
Part III 3b	Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?	No
Part III 3c	Enter the name and EIN of the accountant (or accounting firm) below:	
(1)	Name:	Bennett Thrasher
(2)	EIN:	58-167361
Part III 3d	The opinion of an independent qualified public accountant is not attached because:	

*This value will not be updated until data is saved using Save & Finish Later.

Save & Finish Later Back Next

Highlights from Income and Expenses (Schedule H):

- **Part II 2a(1)(A) Employer contributions:** Includes employer match, Profit Sharing, Qualified Non-Elective Contribution (QNEC), and Non-Elective Contribution (NEC).

- **Part II 2a(1)(B) Participant contributions:** Includes Pre-tax and Roth contributions, as well as Catch Up.

- **Part II 2a(1)(C) Other (including rollover) contributions:** Primarily counts employee rollover contributions, both Pre-tax and Roth.

- **Part II 2b(1)(A) Interest bearing cash:** Includes money manager earnings.

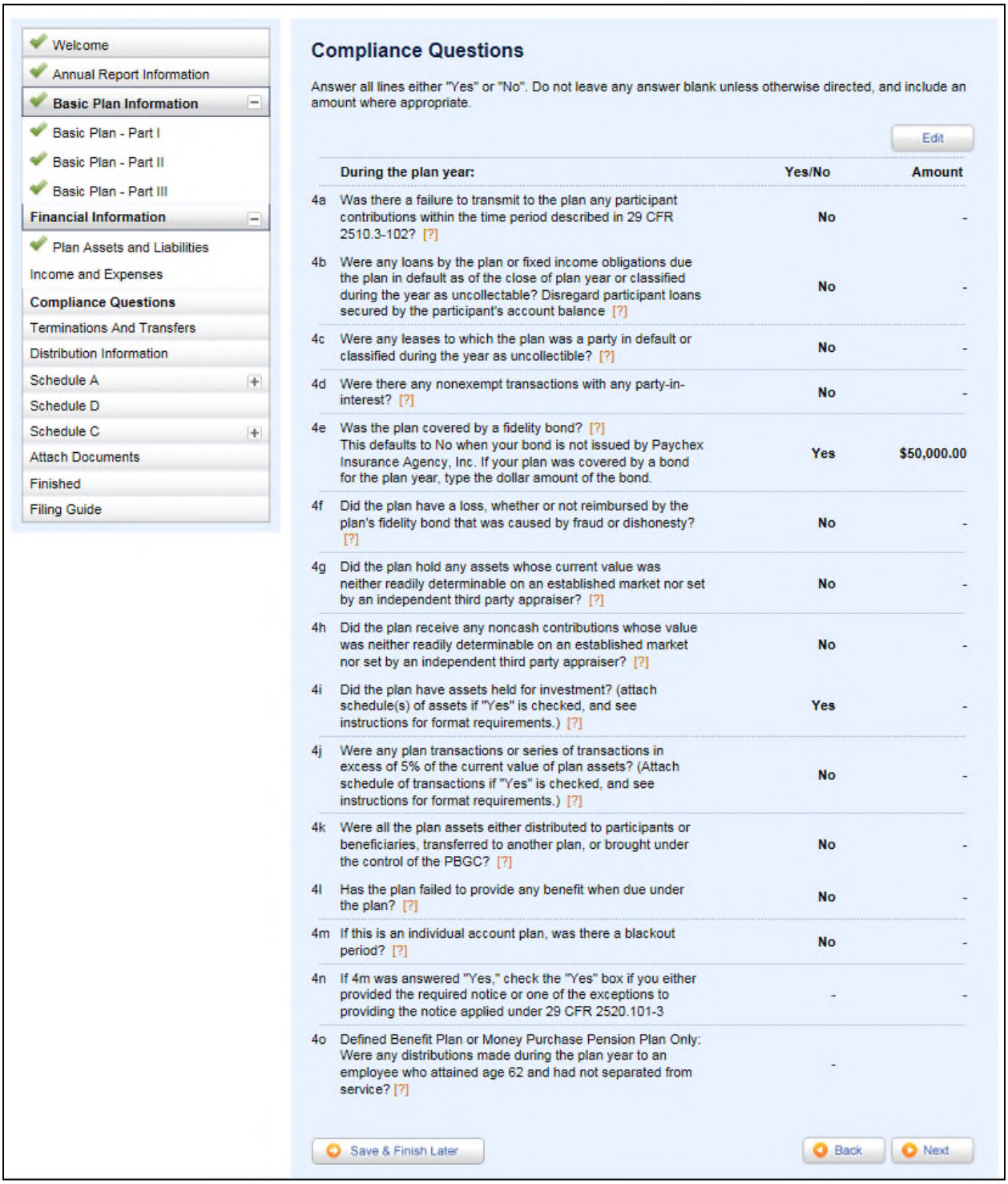
- **Part II 2e Benefit payments (including direct rollovers):** All distributions made to participants in 2019.

- **Part II 2f Corrective distributions:** Includes 402(g) Excess Deferral distributions and Return of Excess (ROE) distributions due to a failed ADP/ACP test.

- **Part II 2g Certain deemed distributions of participant loans:** Includes loan defaults for certain active participants.

- **Part II 2i(4) Other:** Includes amounts paid directly from plan assets to certain administrative service providers. For Paychex clients, this will generally include recordkeeping fees that are paid via plan asset billing, distribution processing fees, and Mid- Atlantic Trust Company (MATC) Directed Trustee fees.

Compliance Questions



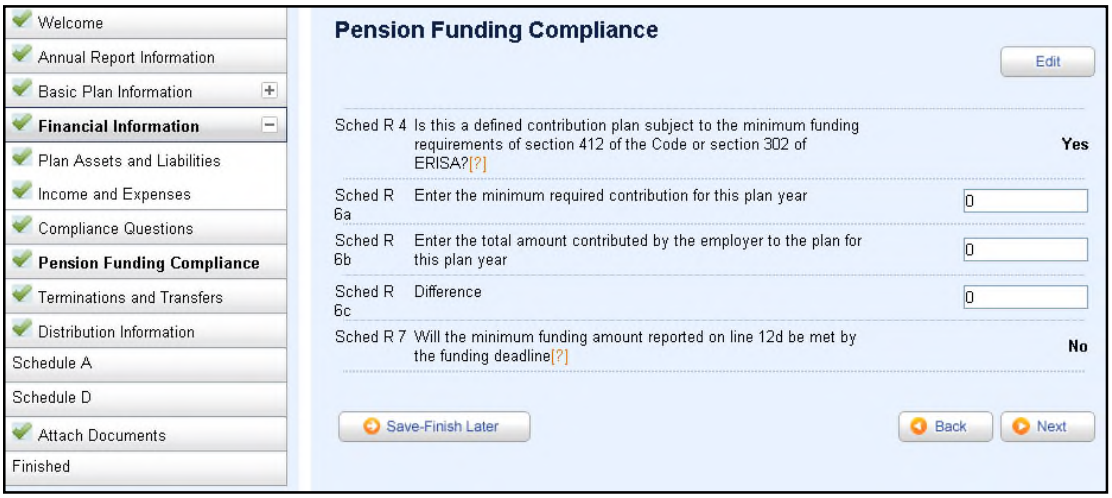
Highlights from Compliance Questions:

- **4e Was the plan covered by a fidelity bond?** This field will only be auto-populated by Paychex if the client purchased his fidelity bond through the Paychex Insurance Agency. The amount listed will be 10% of the assets as of 1/1 of the filing year. If a client did not purchase his bond through Paychex, the field will be marked **No**, even if the client's bond information had been previously provided to Paychex. If this field is marked **Yes**, it cannot be changed by the client. If the field is marked **No**, the client must input the bond information.

  Important: If a client does not have a bond, he may purchase one through the Paychex Insurance Agency by emailing **5500bond@paychex.com**. Sending this email notifies the Agency to reach out to the client regarding purchasing a bond. Fidelity bonds are not retroactive, and any bonds purchased in 2020 cannot be applied to the 2019 Form 5500 filing.

  See page 33 for more information on the bond screen in HRIS.

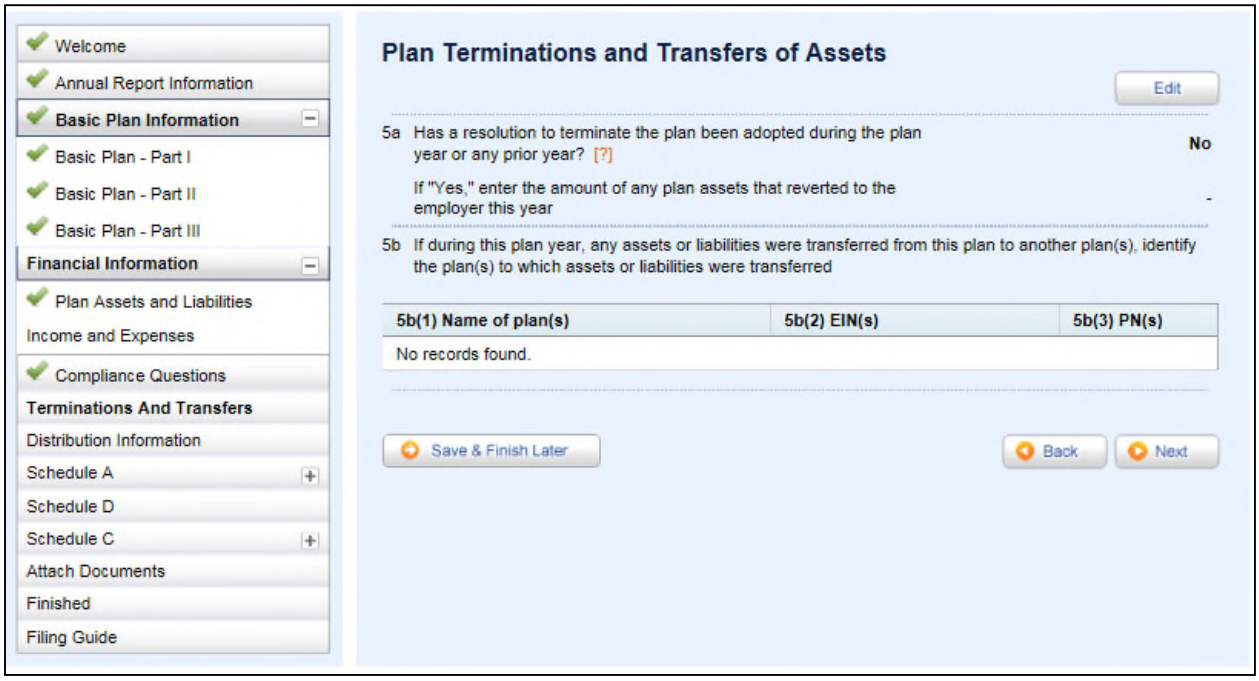
Pension Funding Compliance (if applicable)



Highlights from Pension Funding Compliance:

- This section is only required, and will only populate, if a client has a Money Purchase Plan.

Plan Terminations and Transfer of Assets

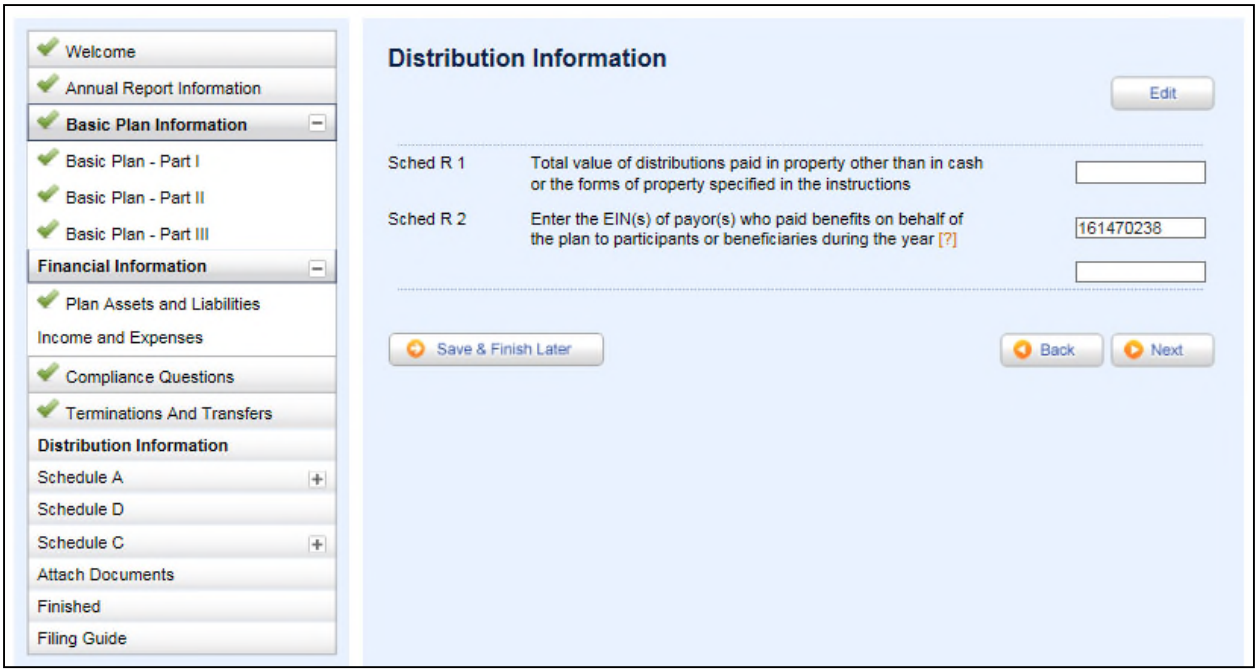


Highlights from Plan Terminations and Transfers of Assets:

- **5a Has a resolution to terminate the plan been adopted during the plan year or any prior year?** This section will only be completed if the plan was terminated during the 2019 year, or earlier. If the client terminated his plan, he must enter the amount of any plan assets that reverted to the employer this year. A "**0"** should be entered if no reversion occurred during the current plan year.

Note: It is highly unusual that plan assets would revert (go back) to the employer plan upon plan termination. In general, when a plan terminates, all amounts in the plan, including forfeitures, must be fully allocated to the participants.

Distribution Information



Highlights from Distribution Information:

- **2 Enter the EIN(s) of payor(s) who paid benefits…:** This is Paychex' EIN (16-1470238), as reflected on the Forms 1099-R of all participants and beneficiaries who received a distribution in 2019.

Additional Schedules

In addition to the financial schedules (H and I), clients MAY be required to file one or more additional schedules. Additional schedules will be prepared by Paychex when needed and will display in the left navigation menu. These schedules may include:

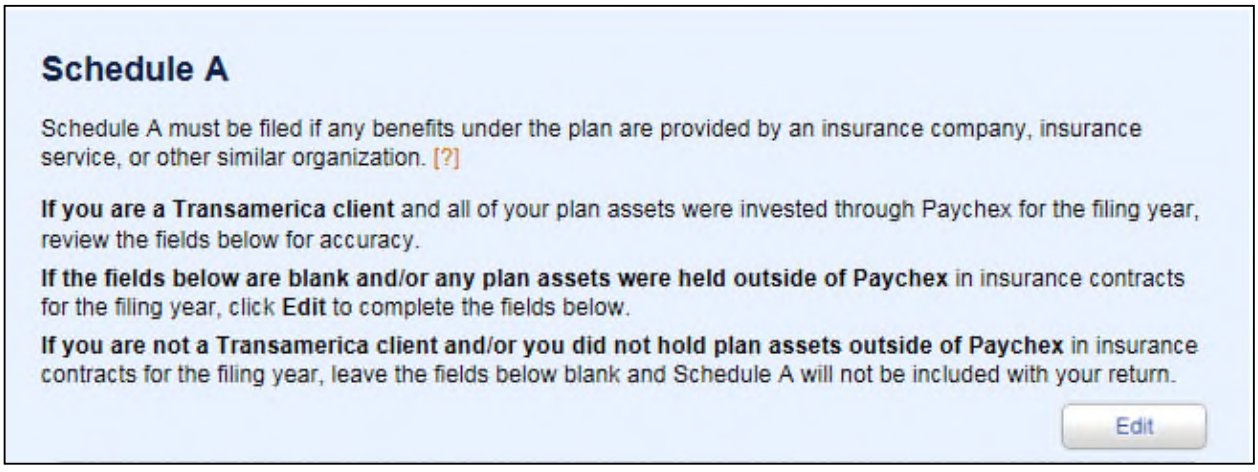
Schedule A:

- Reports information on certain investments made through insurance companies.

- Only clients using Transamerica (an insurance company) as their investment provider or RRS clients will have this schedule prepared by Paychex. The plan assets are invested in "pooled separate account investment portfolios." A pooled separate account is an investment portfolio offered by an insurance company that allows a participant to pool resources with other investors to invest in securities or mutual fund shares.

  Important: You may not discuss fees reported on the Schedule A. Clients may contact Transamerica directly to discuss these fees by calling 800-524-8788 or by visiting the Transamerica website at www.trsfunds.com (Transamerica line-up) or www.trsfundspx.com (TRS Transamerica line-up). RRS clients can contact their John Hancock Client Account Representative at 1-800-333-0963

The following message displays on the top of the screen to assist the client:

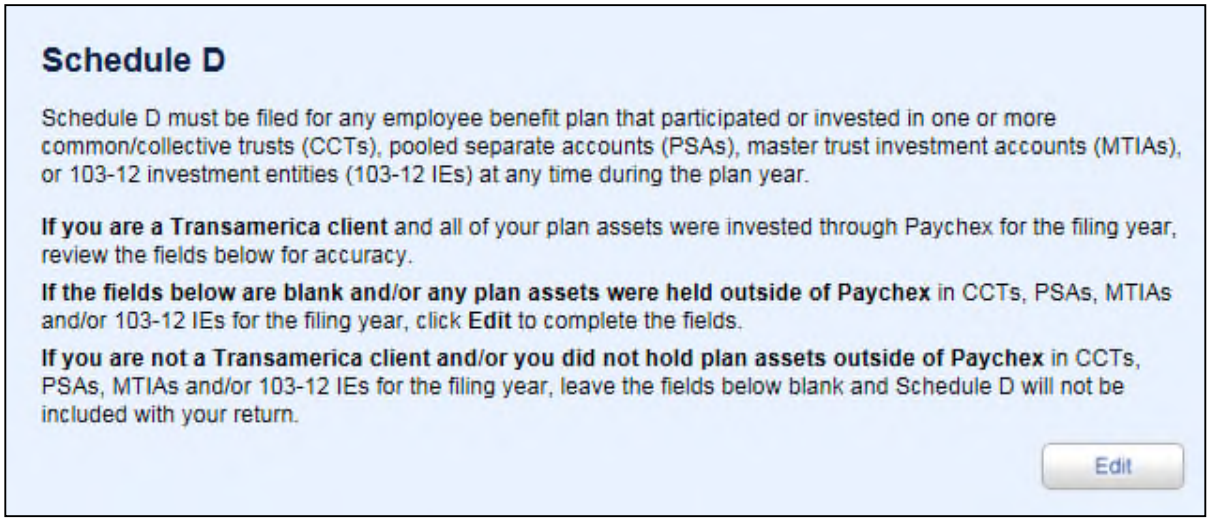


Schedule D:

- Schedule D reports assets for plans that invest in pooled separate accounts or common collective trusts.

- All Transamerica and RRS clients will receive this Schedule, as will any other client that utilizes these types of investments (e.g., Federated Fixed Fund lineup).

The following message displays on the top of the screen to assist the client**:**



Schedule R:

- The client will receive this schedule if there were distributions paid during the 2019 plan year or if the client has a Money Purchase Plan (MPP).

- The Paychex Employer Identification Number (EIN) (16-1470238) will appear on Line 2 as the institution that paid out the distributions.

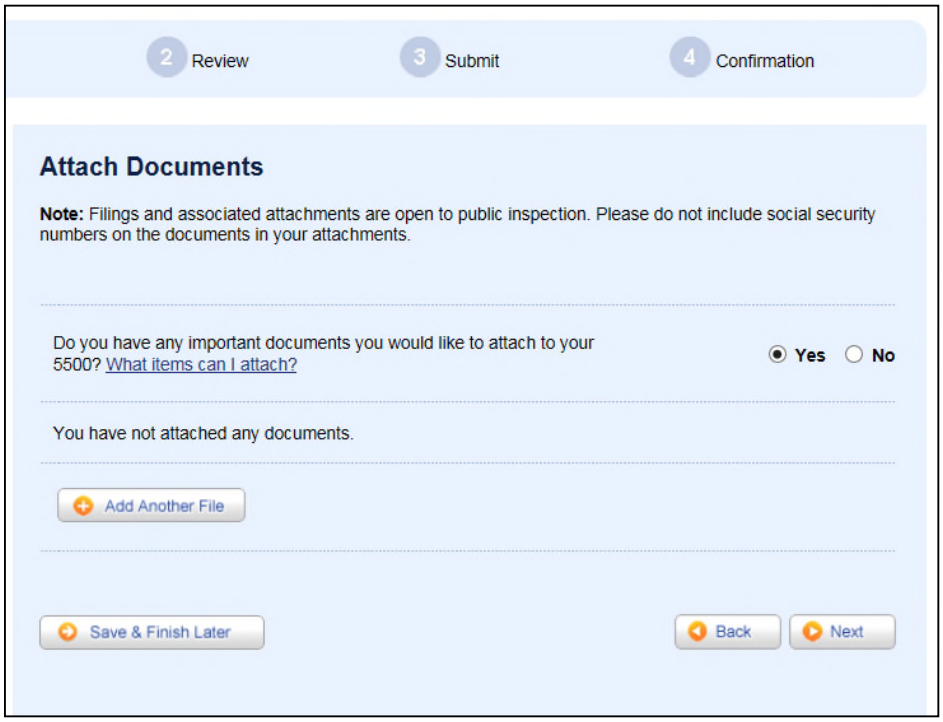
- For a MPP, the minimum contribution and actual contribution will appear on line 6 (a) and 6 (b). This is calculated on an accrual basis (includes the amount of the required contribution for the 2019 plan year, even though the contribution was paid to the plan after December 31, 2019).

Schedule C:

- Schedule C is prepared for all **Schedule H** filers. This schedule is used to report certain direct and indirect compensation paid to the plan's service providers.

- Merrill Lynch sends a letter explaining that all direct and indirect compensation that was paid from plan assets may need to be reported on Form 5500 Schedule C. Details of this information will be provided to Paychex from Merrill Lynch to assist with the Form 5500 preparation. The client will not need to take any additional action.

Attach Documents



Highlights from Attach Documents:

- Clients filing a Form 5500 with a Schedule I are not required to attach any documents before transmitting the file to the DOL.

- Clients filing a **Form 5500 with a Schedule H** must have an audit performed on the plan by an **Independent Qualified Public Accountant (IQPA)**. This audit must be attached to the filing in this step of the review process as TWO separate documents**: Accountant Opinion** and **Schedule of Assets.** The auditor checks for whether the participant accounts are accurate and if there are any issues that would impact the plan's tax qualified status.

- It is very important that the file meets these specific requirements:

    - Must be a PDF file
    - File name must be less than 50 characters (including .pdf)
    - No spaces in the file name
    - No special characters (@, #, %, etc.)
    - Must be portrait layout
    - Cannot be password protected

There are two types of audits that may be performed on a client's plan:

1. **Limited Scope Audit:** A small-scale audit that may only be performed if the IQPA can obtain a "Certification of Assets," which verifies that information reported on a company's financial statements are complete and accurate. This document may only be provided by an authorized representative of a bank, insurance company, or regulated trust company. Clients that use the Directed Trustee services through Mid-Atlantic Trust Company (MATC) will receive a Certification of Assets directly from MATC. No other Paychex clients will receive a Certification of Assets.

2. **Full Scope Audit:** When an IQPA is unable to obtain a Certification of Assets from the financial institution that holds the plan assets, the plan investments must be audited. This generally requires the auditor to examine the internal procedures and controls that are in place for processing transactions by Paychex and the investment provider. To assist the IQPA in auditing the plan, Paychex provides each Schedule H client with audit material (an Audit Package) on the Employer Website.

This Audit material on the website contains:

- Client's most recent Adoption Agreement
- Client's most recent General Information Sheet
- Fund Slicks
- SSAE 16 (SOC 1)
- Census Report
- ADP/ACP Test
- Top Heavy Test
- Distribution Activity Report
- Fund Summary Reports
- Participant Report

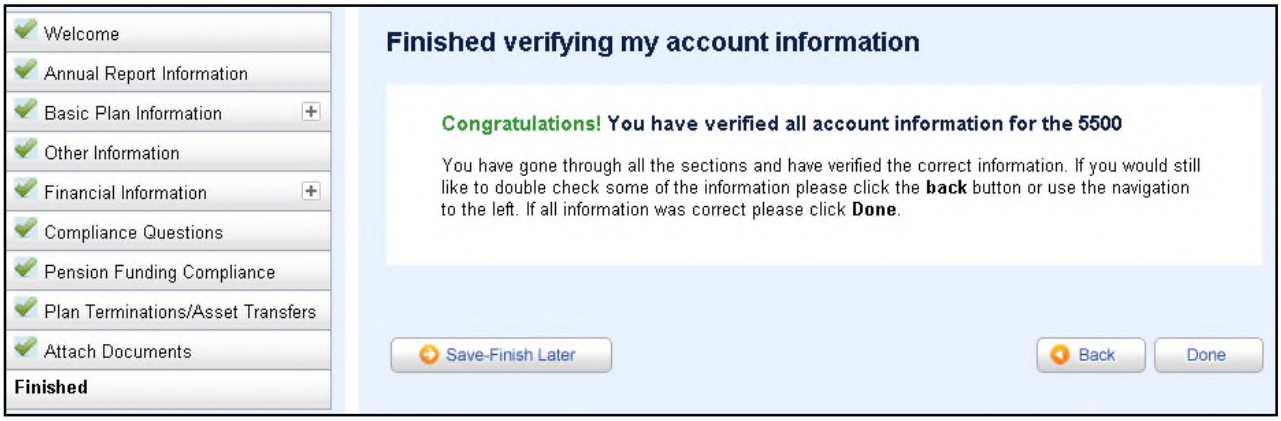
Schedule H clients are also sent an Audit CD in May. This CD contains everything an auditor should need to prepare the audit. For a list of items included, use Solution ID: *041227208395937 How do I request an audit package?*

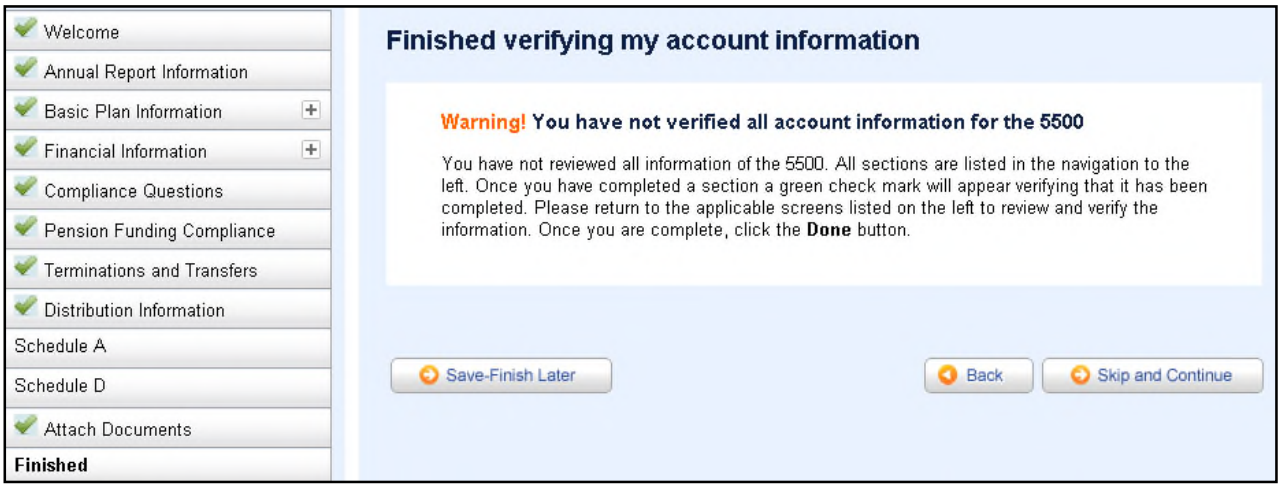
The CD is password protected. The client will receive an email with password instructions once the CD is mailed. The password is **PX followed by the client's Sungard number**.

When the client has attached any necessary documents and determines that he has completed all required steps, he proceeds to the **Finished** screen. If he has skipped any required steps (steps missing a green check mark on the navigation menu), he will be asked to go back and review anything that was missed.

Important: The client will be given the option to **Skip and Continue** without reviewing any missed sections (those sections that do not have a green check next to them on the navigation menu). This is not recommended.

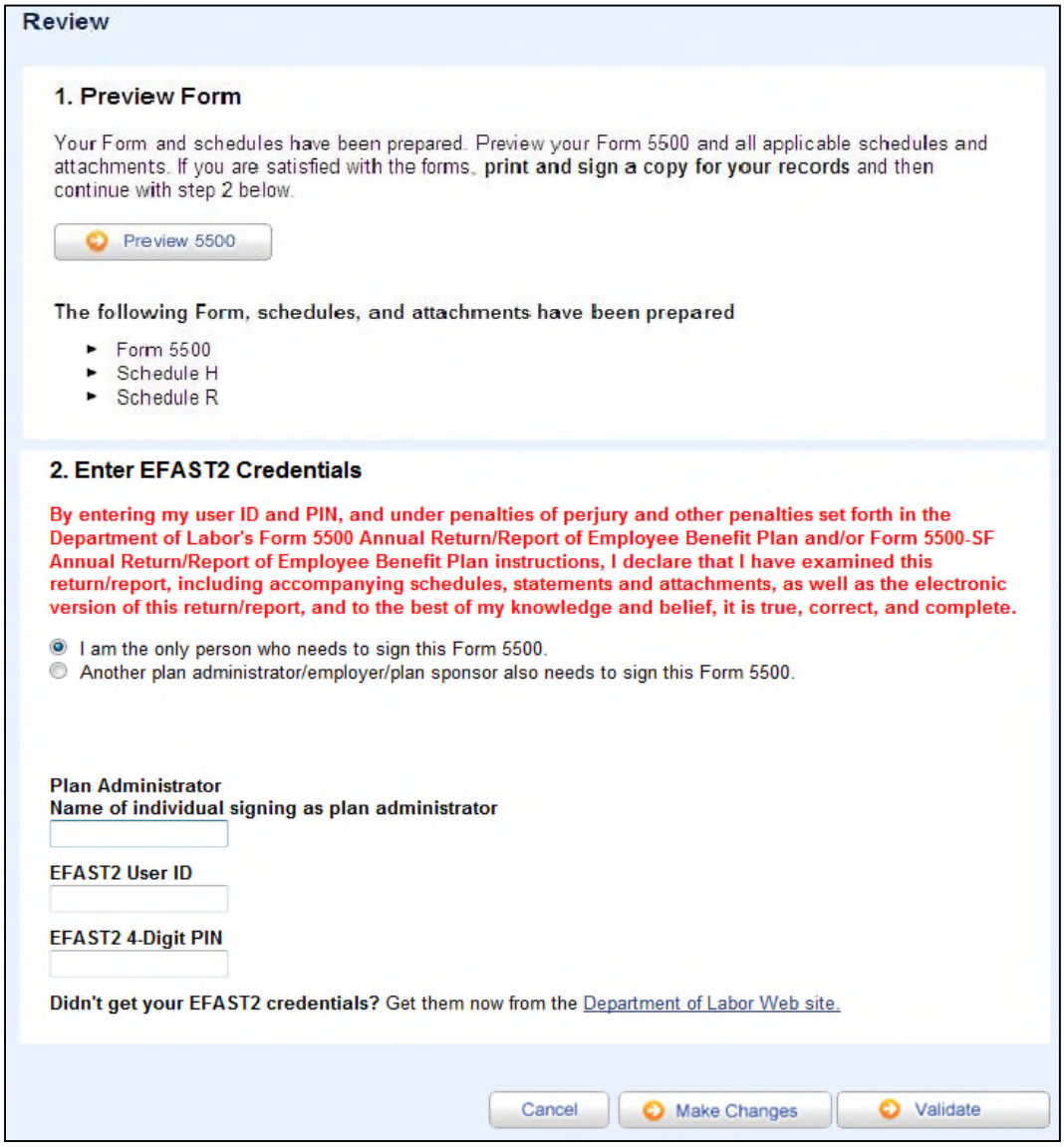
Finished





Once the client has reviewed all sections of the Form 5500, he may choose **Back** to view the information again, or, if satisfied, he may continue by choosing **Done**.

Review



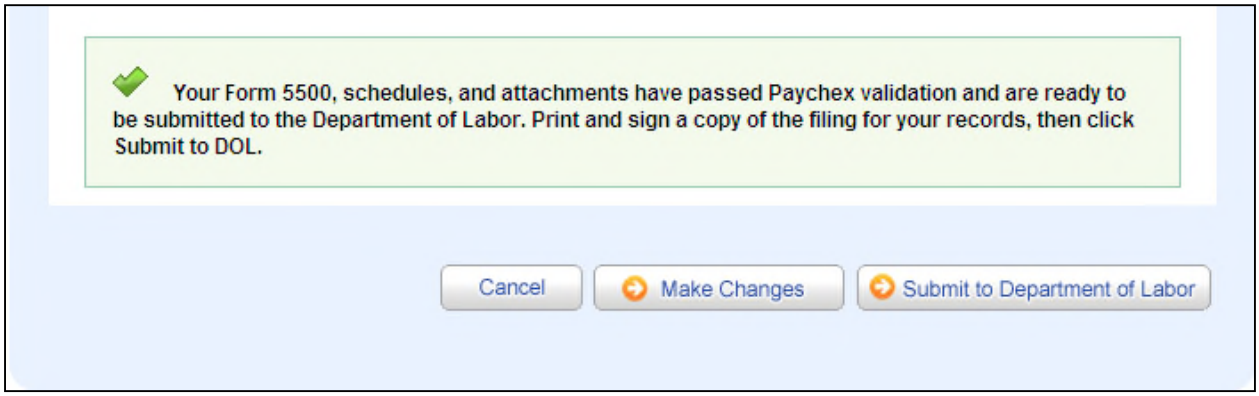
Next, the client will be directed to view the final version of the Form as it will appear to the DOL by choosing **Preview 5500** to make changes as necessary, and to input his name, User ID, and 4-Digit PIN he received when registering for filing credentials with the DOL. If a client has not yet registered for filing credentials, he must do so before proceeding. When ready to submit, the client chooses **Validate** to proceed.

Note: Messages will display if the Plan Administrator enters credentials that are not in the standard format for the User ID and PIN and/or if the Plan Administrator's credentials do not match the DOL registration records. The client will not be able to proceed until this is resolved. See page 38 for details.

Submit

During the validation process, Paychex will scan the client's Form 5500 to ensure that there are not any errors that could prevent acceptance by the DOL. If the Paychex validation process reveals errors, the client will be required to correct them and revalidate. If there are no errors, the client will be directed to complete the final submission process.

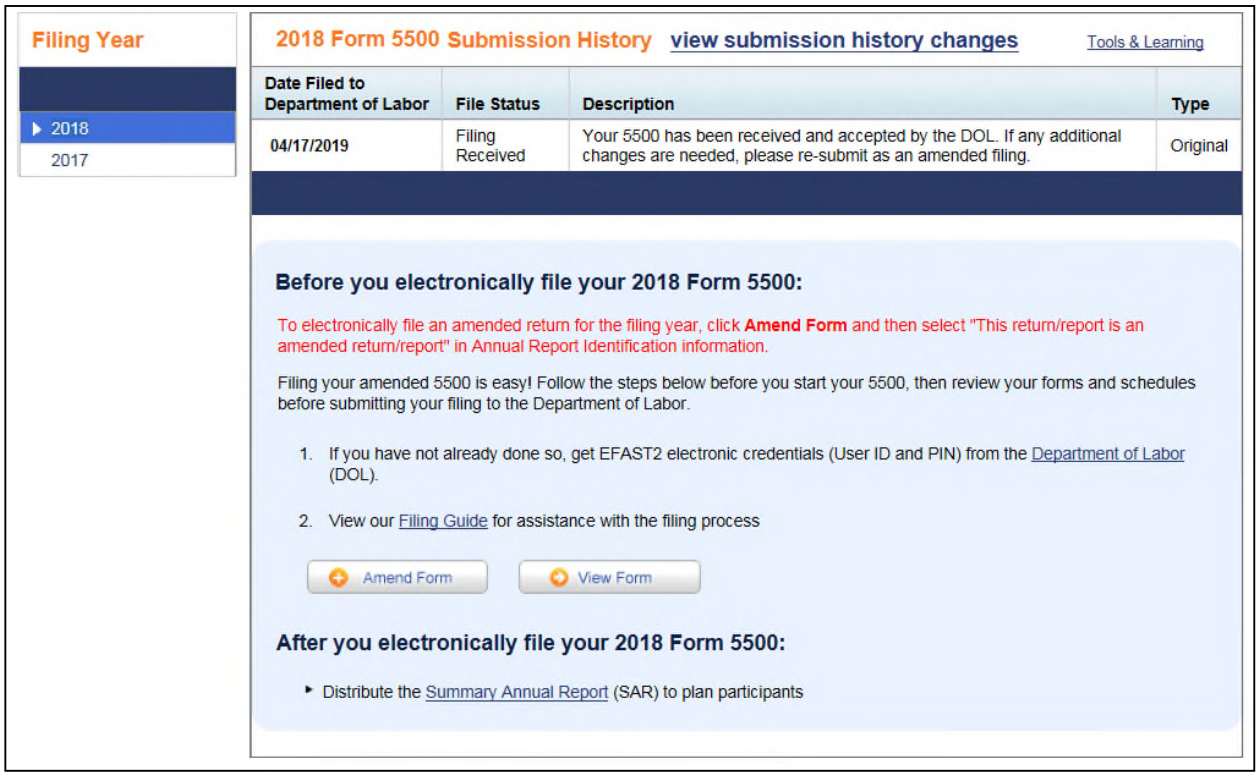
> **Important:** The Paychex validation process will help to identify potential errors in a client's Form 5500, but completing this process does not guarantee that a return will be accepted by the DOL.



The client will then be given a final opportunity to make changes to the Form 5500, and, if no changes are necessary, to submit the return to the DOL by choosing **Submit to Department of Labor**.

Once the Form 5500 has been submitted to the DOL, the client may immediately select **Back to Home** to return to the Form 5500 Home page to confirm the filing status. A status of Filing Received indicates a successful filing. If errors have been reported in the return, the client must make any necessary corrections and resubmit his Form 5500 to the DOL.

If the filing was successfully received, the client must then print, sign, and save a copy of the filing in his records. Regulations require the Plan Administrator to keep a copy of the Form 5500-SF/Form 5500, including schedules and attachments, with all required signatures, as part of the plan's records.



After you electronically file your 2019 Form 5500:

The **Summary Annual Report (SAR)** is a summary of the information contained in the plan's Form 5500. The SAR must be distributed to plan participants and their beneficiaries receiving benefits under the plan no later than two months following the Form 5500 filing deadline (with extensions). **If the Form 5500 is due July 31, 2020, the SAR is must be distributed by September 30, 2020.**

A link to obtain the SAR will become available for the client to print once the 2019 Form 5500 is in Filing Received, Filing Stopped, or Filing Error status. Instruct the client to click on the **Summary Annual Report** link under "After you electronically file your 2019 Form 5500", click **Submit** on the Request Reports window and then go to **Documents & Reports | Reports** to open the PDF file.

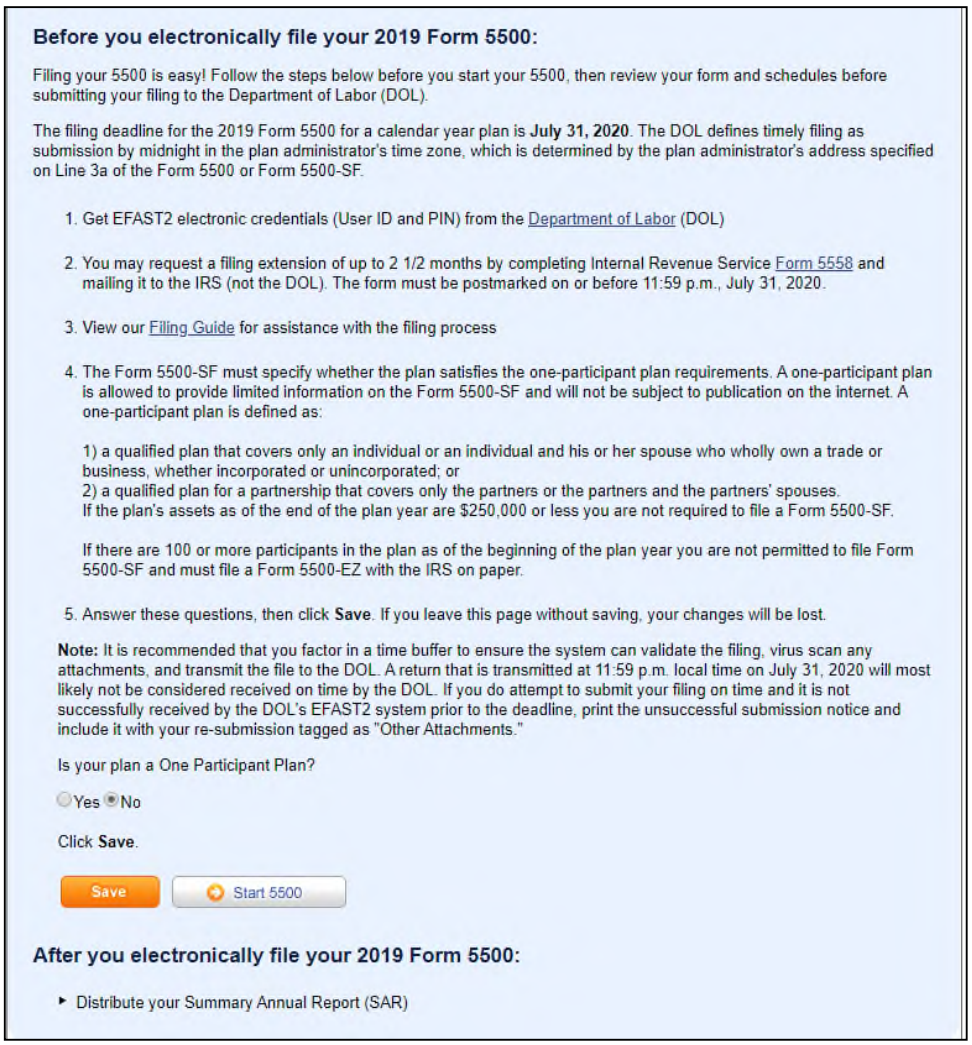
See page 41 for screen shots of the Summary Annual Report request process.

One-Participant Plans

A One-Participant Plan is a plan that covers:

- only the owner of the business
- only the owner and the owner's spouse
- only the partners in a partnership
- only the partners in a partnership and their spouses

Plans that have a product code of **Owner Only** will be prompted on the **Before You Electronically File** screen to determine if they satisfy the criteria of being a One-participant plan. If **Yes** is checked, the Form 5500-SF will be checked One-participant plan on line 1A of the Form. As a result, the only line item that will appear in the Compliance Questions Section of the Form will be 10g - *Does the plan have any participant loans?*



Before you electronically file your 2019 Form 5500:

Filing your 5500 is easy! Follow the steps below before you start your 5500, then review your form and schedules before submitting your filing to the Department of Labor (DOL).

The filing deadline for the 2019 Form 5500 for a calendar year plan is **July 31, 2020**. The DOL defines timely filing as submission by midnight in the plan administrator's time zone, which is determined by the plan administrator's address specified on Line 3a of the Form 5500 or Form 5500-SF.

1. Get EFAST2 electronic credentials (User ID and PIN) from the Department of Labor (DOL)
2. You may request a filing extension of up to 2 1/2 months by completing Internal Revenue Service Form 5558 and mailing it to the IRS (not the DOL). The form must be postmarked on or before 11:59 p.m., July 31, 2020.
3. View our Filing Guide for assistance with the filing process
4. The Form 5500-SF must specify whether the plan satisfies the one-participant plan requirements. A one-participant plan is allowed to provide limited information on the Form 5500-SF and will not be subject to publication on the internet. A one-participant plan is defined as:

   1) a qualified 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 qualified plan for a partnership that covers only the partners or the partners and the partners' spouses.
   If the plan's assets as of the end of the plan year are $250,000 or less you are not required to file a Form 5500-SF.

   If there are 100 or more participants in the plan as of the beginning of the plan year you are not permitted to file Form 5500-SF and must file a Form 5500-EZ with the IRS on paper.
5. Answer these questions, then click **Save**. If you leave this page without saving, your changes will be lost.

Note: It is recommended that you factor in a time buffer to ensure the system can validate the filing, virus scan any attachments, and transmit the file to the DOL. A return that is transmitted at 11:59 p.m. local time on July 31, 2020 will most likely not be considered received on time by the DOL. If you do attempt to submit your filing on time and it is not successfully received by the DOL's EFAST2 system prior to the deadline, print the unsuccessful submission notice and include it with your re-submission tagged as "Other Attachments."

Is your plan a One Participant Plan?

Yes No

Click **Save**.

Save | Start 5500

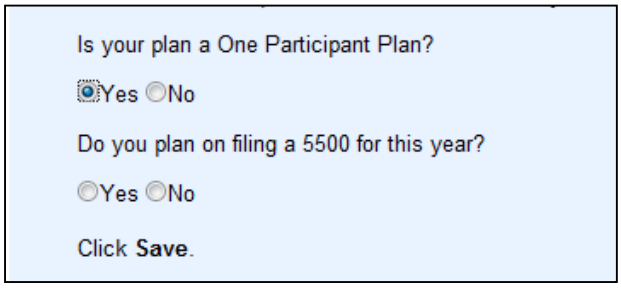
After you electronically file your 2019 Form 5500:

- Distribute your Summary Annual Report (SAR)

One- Participant Plans with $250,000 or Less in Assets

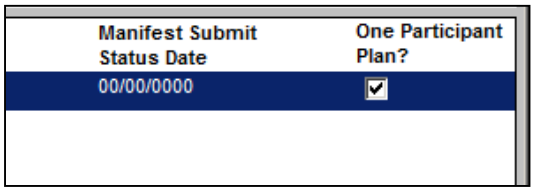
One-participant plans that contain $250,000 or less in assets at the end of the plan year are not required to file a Form 5500, except for in the final year of the plan.

Clients that check **Yes** to the One Participant Plan prompt will receive an additional prompt: *Do you plan on filing a 5500 for this year?* If the client checks **No** and clicks **Save**, a Form 5500 will no longer be posted on the website. No further action is required by the client.

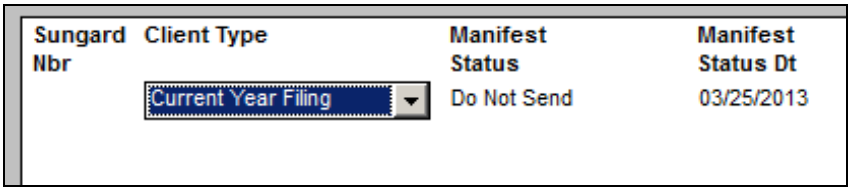


Important Note: Not all plans with an Owner-Only product code satisfy the criteria as One - Participant Plans. The client determines whether the plan is a One -Participant Plan.

You can confirm that the client has indicated One-Participant Plan by accessing **Year End | 5500 Manifest Screen** and scroll to the far right.



If the client is not filing the Form 5500, the manifest status will update to **Do Not Send** and the filing will be removed from the website.



Delinquent or Amended Filings

If a client failed to timely file a Form 5500 that was prepared by Paychex, the client may file his delinquent Form electronically, as long as he still has access to the Paychex Employer Website. Similarly, if a client has filed a Form 5500 and discovered errors or missing information in the Form that was filed, he may use the Paychex Employer Website to correct and transmit his amended Form to the DOL electronically.

If choosing the option to submit a **delinquent** Form 5500, the client should be certain that the return in question has not yet been filed. Clients may check www.efast.dol.gov to confirm if a prior year's return has been filed with the DOL.

Clients may not file a delinquent or amended Form 5500 for plan years prior to 2016 using the Paychex Employer Website. Clients must file returns for years prior to 2016 via IFILE with the DOL at www.efast.dol.gov.

Delinquent Filer Voluntary Compliance Program (DFVCP)

The Delinquent Filer Voluntary Compliance Program (DFVCP) is a federal program designed to encourage voluntary compliance with ERISA annual reporting requirements. This program gives delinquent plan administrators a way to avoid paying potentially high penalty assessments by voluntarily paying a reduced penalty amount, as long as they have not been contacted in writing by the DOL. These penalties may not be paid from the assets of the plan.

Which filing statuses are considered filed timely?
Plans with a filing status of Filing Received, Filing Stopped, and Filing Error are considered timely filings with the DOL if transmitted on or before July 31, 2020. However, clients in Filing Stopped and Filing Error should promptly correct their filings and resubmit as an amended return.

What are the late filing penalties?
The IRS imposes a $250 per day penalty for each day until a return is filed, up to a maximum of $150,000 per plan year. In addition, the DOL has the authority to assess civil penalties of up to $2,194 per day, with no limit.

However, the DFVC program allows Plan Administrators to file a late Form 5500 at a reduced penalty amount.

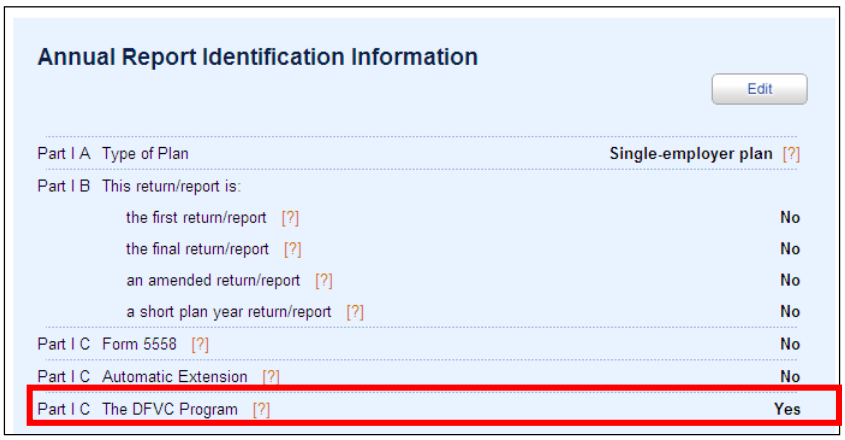
Who is eligible to participate in the DFVCP?
Plan Administrators are eligible to pay reduced penalties under the program as long as the administrator has not been notified in writing by the DOL of a failure to file a timely form 5500 return.

An IRS late-filer penalty letter that is received by the Plan Administrator will not disqualify a plan from participating in the DFVC program.

IMPORANT: Clients who file as a One-Participant Plan are not eligible to use the DFVC Program. A separate relief program is available through the IRS. See question below "What are the One-Participant Plan late filing options?"

How does a client file a delinquent (late) Form 5500 under the DFVC Program?
Participation in the DFVC program is a two-part process:

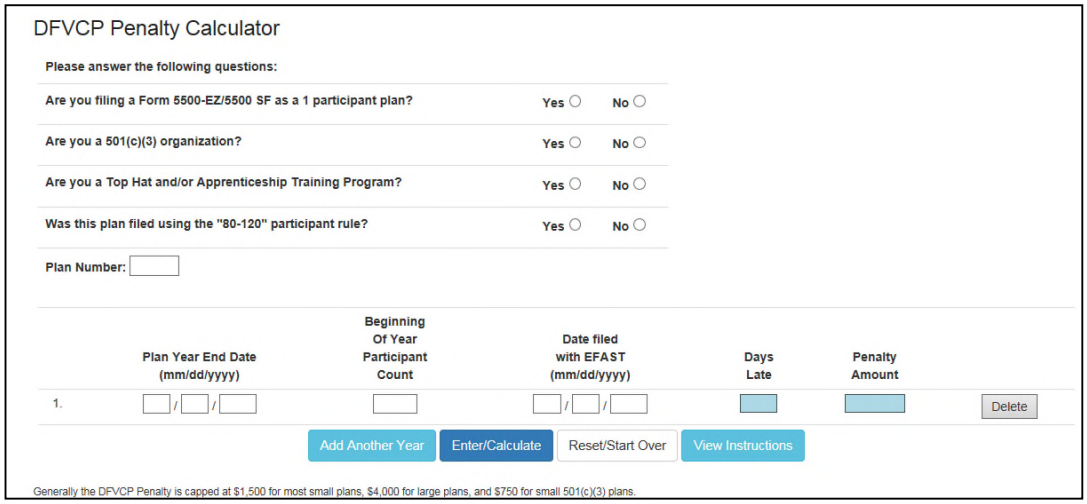
First, the Plan Administrator must successfully transmit the Form 5500, including all schedules and attachments to the DOL. The client must check 'Yes' in "The DFVC Program" box in Part I C of the Annual Report Identification Information portion of the return.



Second, if he hasn't already done so, the Plan Administrator must file the related Form 8955-SSA (assuming one is required for the plan year) within 30 calendar days after the filer completes the DFVC filing. The Form 8955-SSA must be filed on paper and may not be made electronically through FIRE. The filer should check the box on Line C, Part I (special extensions) on the Form 8955-SSA and enter "DFVC" in the space provided.

Third, the Plan Administrator must pay the applicable reduced penalty amount under the program.

What is the applicable penalty amount under the DFVC Program?
Clients should use the DOL's online DFVCP Penalty Calculator to determine the applicable penalty amount. The calculator is located at https://www.askebsa.dol.gov/dfvcepay/calculator



Small Plan Filers - (plans with less than 100 participants at the beginning of the plan year – i.e., filing a Form 5500-SF or Form 5500 with Schedule I) the applicable penalty amount is $10 per day for each day the filing is late up to $750. If multiple years' 5500s are being filed under the DFVC program, the penalty is capped at $1,500.

Large Plan Filers - (plans with 100 or more participants at the beginning of the plan year – i.e., filing a Form 5500 with Schedule H) the applicable penalty amount is $10 per day for each day the filing is late up to $2,000. If multiple years' 5500s are being filed under the DFVC program, the penalty is capped at $4,000.

Examples of Penalty Amounts:

Example 1*:* As of January 1, 2020, Company A has not filed its 2018 Form 5500 that was due July 31, 2019. Because the company has fewer than 100 participants, and is not delinquent on any other Forms 5500, the maximum fine paid under the DFVC Program will be $750.

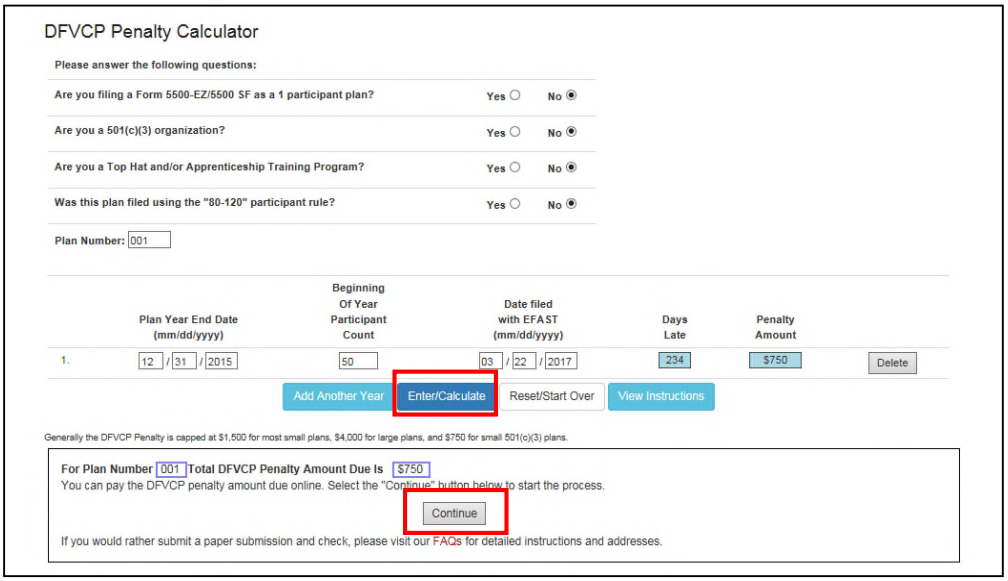
If Company A was a large plan filer, the penalty amount would be $2,000.

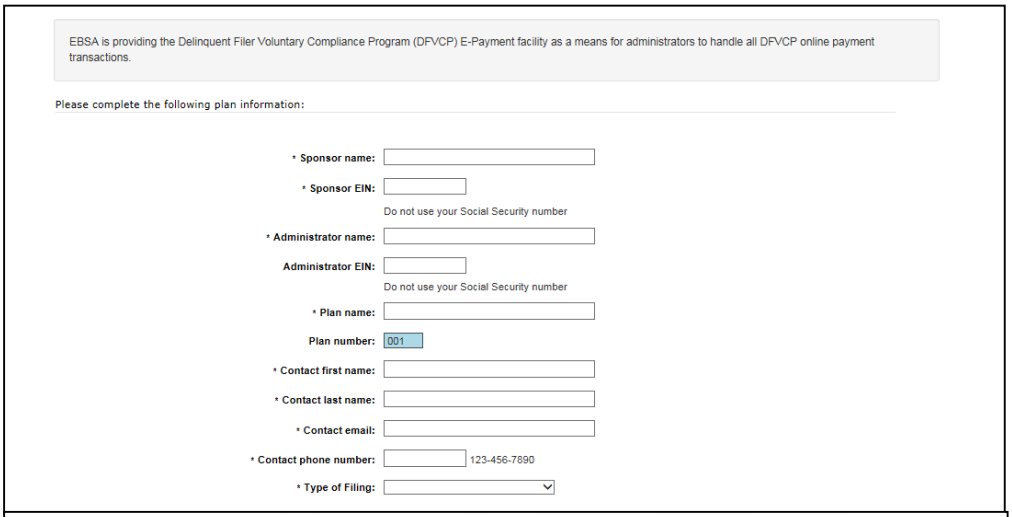
Example 2*:* As of January 1, 2020, Company B has not yet filed Forms 5500 for plan years 2016, 2017, and 2018. Because the company has fewer than 100 participants, the maximum fine paid under DFVC Program will be $1,500.

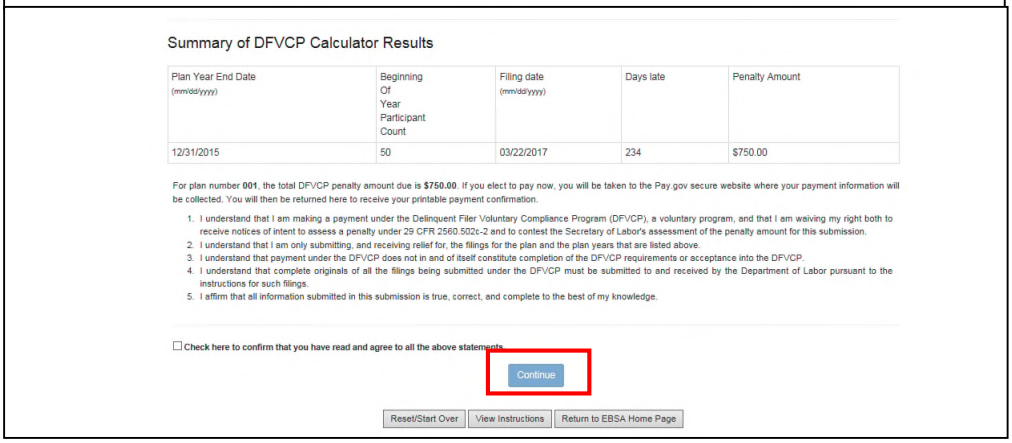
If Company B was a large plan filer, the penalty amount would be $4,000.

How is the penalty payment made under the DFVC Program?

When the Plan Administrator uses the DOL's online DFVCP Penalty Calculator to determine the applicable penalty amount, he will be prompted at the bottom of the screen to select "Continue" to pay the amount online via ACH from a bank account or a major credit card.







One-Participant Plan late filing options?

Option 1: Pay the Late Filing Fee

File and pay the $250 per day IRS late fee. The IRS will send a penalty notice after the Form 5500 is filed.

Option 2: Abatement Letter

File a paper copy of the Form 5500 and attach an abatement letter. The abatement letter must contain a reasonable explanation for the untimely filing. The IRS will consider whether or not to reduce/waive the penalty based on its review of the letter. The abatement letter and paper Form 5500 should be mailed to:

Department of Treasury
Internal Revenue Service
Ogden, UT 84201-0020

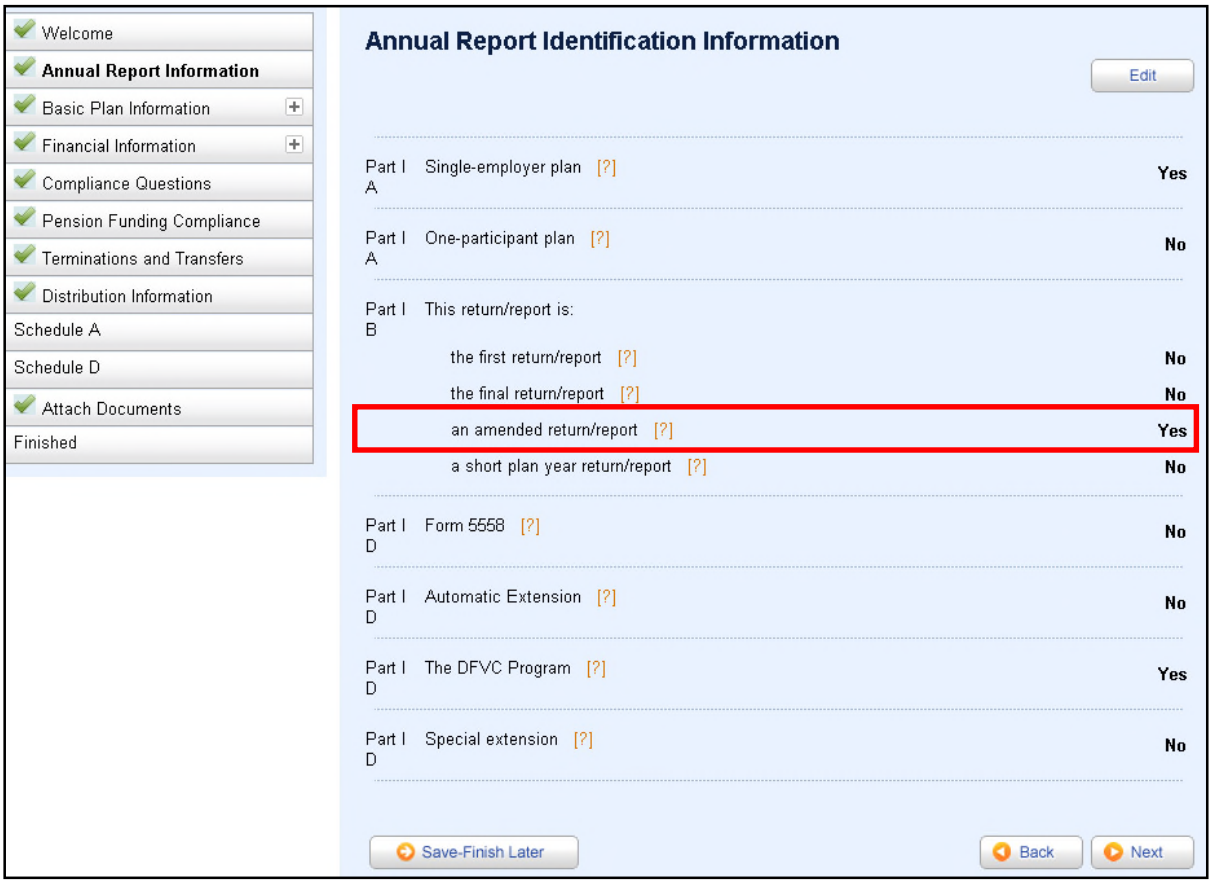
Option 3: IRS Penalty Relief Program

1. Complete Form 5500-EZ (this form can be obtained at www.irs.gov). Paychex does not prepare the Form 5500-EZ version of the return.
2. Write in red at the top of the paper form: “Delinquent Return Filed under Rev. Proc. 2015-32, Eligible for Penalty Relief”
3. Complete Form 14704 (Transmittal Schedule-Form 5500-EZ Delinquent Filer Penalty Relief Program). This form can be obtained at www.irs.gov.
4. Attach the Form 14704 to the top of the Form 5500-EZ.
5. Pay the required fee. The fee is $500 per delinquent return. Make check payable to “United States Treasury”
6. Mail the forms to:

   Internal Revenue Service
   1973 North Rulon White Blvd.
   Ogden, UT 84404-0020

Amended Filings

If a client has filed his Form 5500 with the Department of Labor, but is required to make changes, the filing must be resubmitted as an **Amended Filing**. If the client is filing an amended Form 5500 for any prior year**, Part IB an amended return/report** must be marked **Yes**.



Cancelled Plans

Plan Termination

Paychex will prepare a Form 5500 for each year assets remain in the plan. When all of the assets have been distributed, a **Final Form 5500** will be prepared and made available on the Paychex 401(k) Employer Website approximately 6-8 weeks after the end of the quarter in which the last distribution occurred.

The client will be notified via email (or mail if there is no listed email) when the Form 5500 is available. The Form 5500 must be filed no later than the last day of the 7th month after the date the last assets have been disbursed (unless client requests an extension on Form 5558). The client notification will indicate the filing due date.

Example: Client ABC notifies Paychex on April 1, 2019, that he is terminating his 401(k) plan. As of August 20, 2019, all of the assets have been distributed to participants. A 2019 Form 5500 will be posted on the Employer Website in early to mid-November 2019. This Form 5500 must be filed no later than March 31, 2020 (without an extension).

Plan Transfer

Paychex does not create a Form 5500 for a client who transfers out of Paychex unless the client is transferring to a Multiple Employer Plan and indicates this on the Plan Transfer Paperwork. Otherwise, the client and new recordkeeper will receive a final valuation (957) from 1/1 to the date of the transfer to assist in creating the full year Form 5500.

To determine when the Form 5500 will be available on the web you need to determine the client's Bill End Date. In HRIS, use the **Billing/Commission** tab in **Client Product Maintenance**. Highlight the 401(k) plan and locate the Bill End Date on the Billing/Commission tab.

Use this chart to determine when the Form 5500 is prepared:

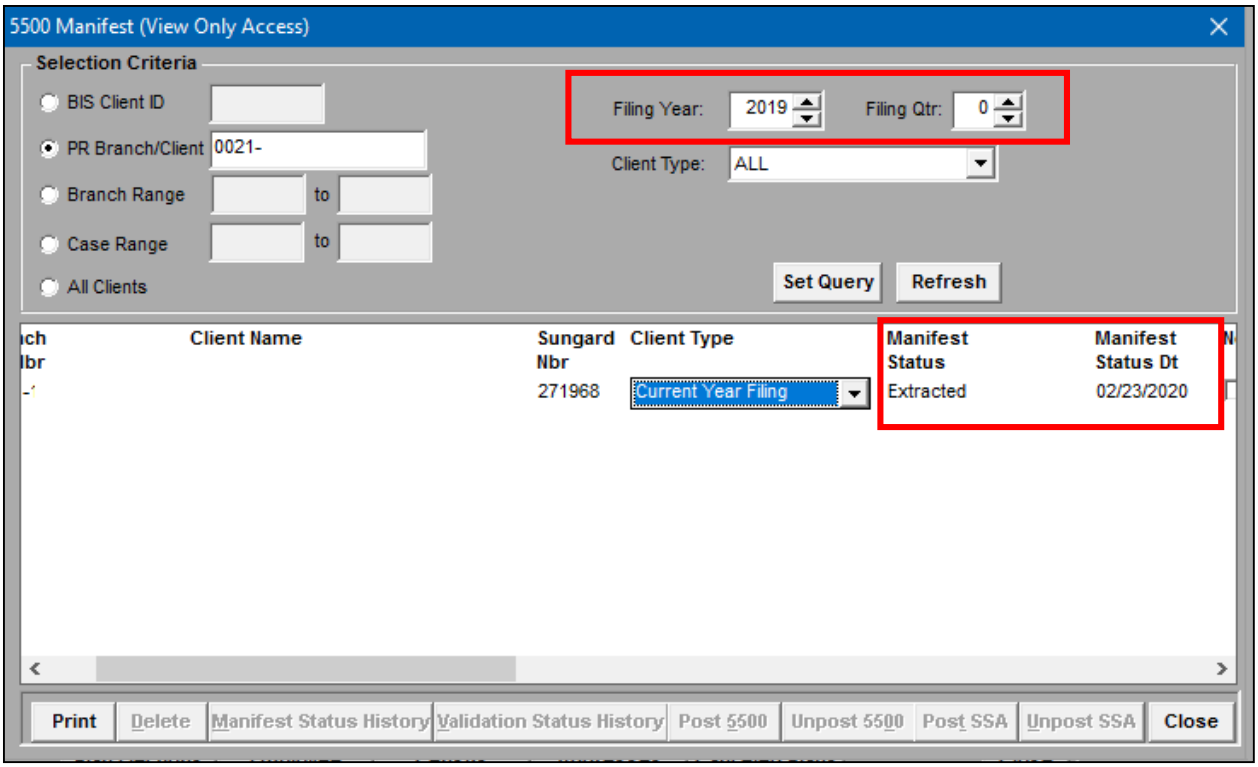
Bill End Date falls between:	Form 5500 is available on the web:
January 1 – March 31	End of May
April 1 – June 30	End of August
July 1 – September 1	End of November
October 1 – December 31	End of February

HRIS Screens

There are several screens in HRIS that will allow you to access information about a client's Form 5500.

5500 Manifest

Year End | 5500 Manifest

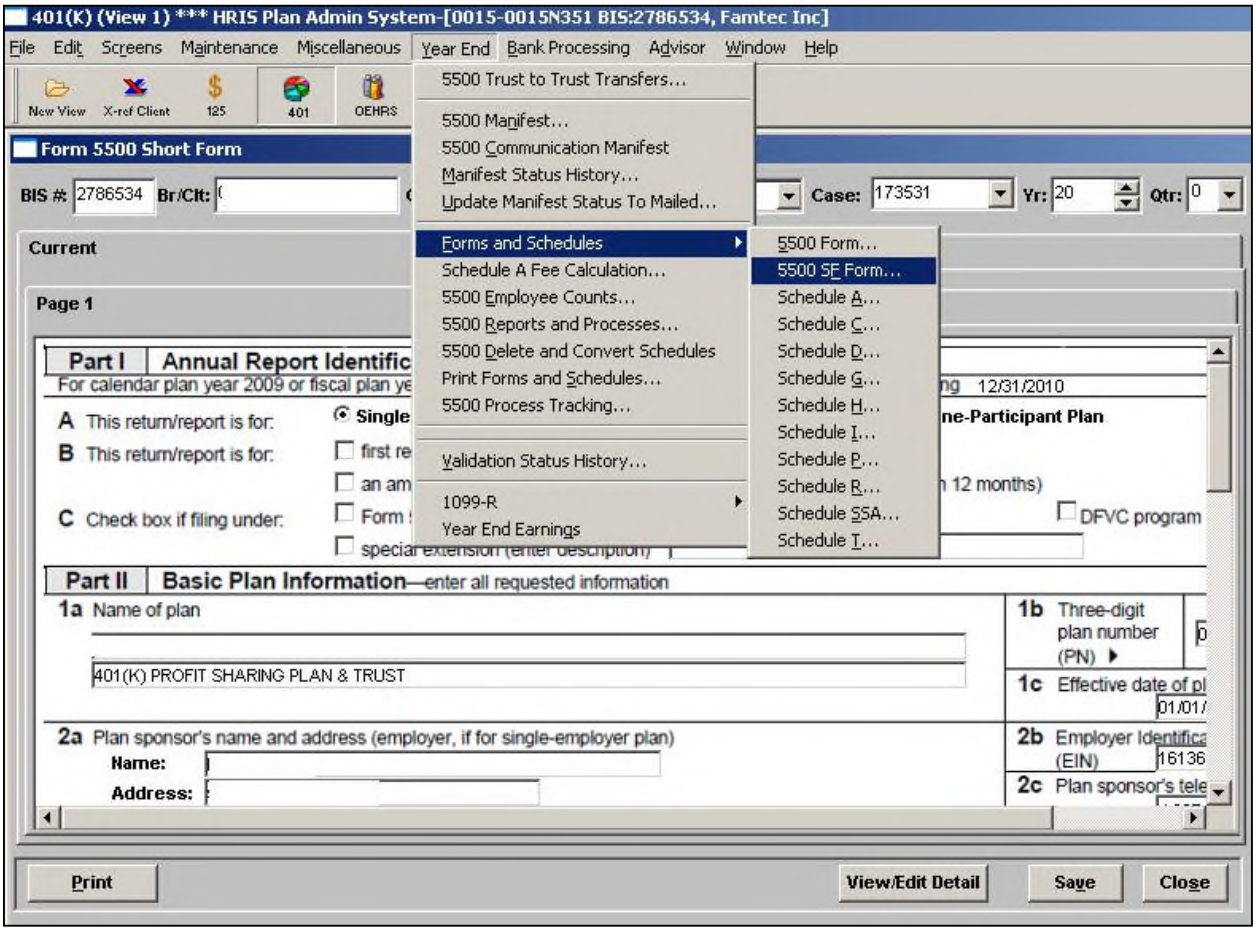


This screen is used to determine the current filing status of the client. The **Filing Qtr** is **0** for the annual filings. If this was a final Form 5500, you need to select the quarter of the Bill End Date to confirm the status.

Bill End Date	Filing Qtr Choice
1/1-3/31	1
4/1-6/30	2
7/1-9/30	3
10/1-12/31	4

Forms and Schedules

Year End | Forms and Schedules



This screen allows you to view the Form 5500-SF, Form 5500, and any applicable Schedules for a client's return for any year in which the return was prepared by Paychex. **Qtr 0 is for annual filings**. Choose the **Qtr** (1-4) based on the bill end Date to view a lost client's form.

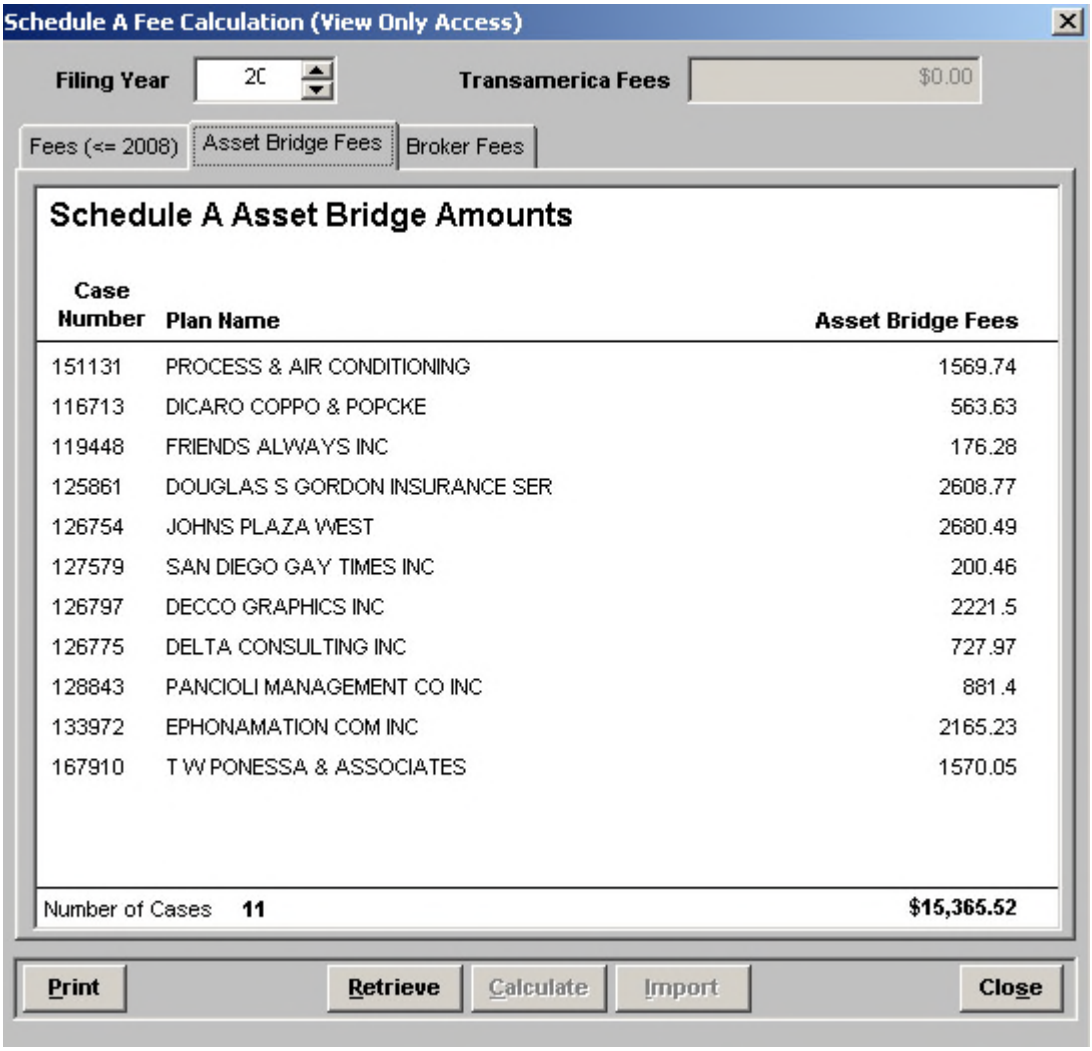
Schedule C Fees

Year End | 5500 Schedule C

This screen reports information about direct and indirect compensation paid to plan services providers, as reported on the Schedule C. All information regarding the compensation will report on this screen, including compensation paid to other service providers that have been reported to Paychex.

Schedule A Fee Calculation

Year End | Schedule A Fee Calculation

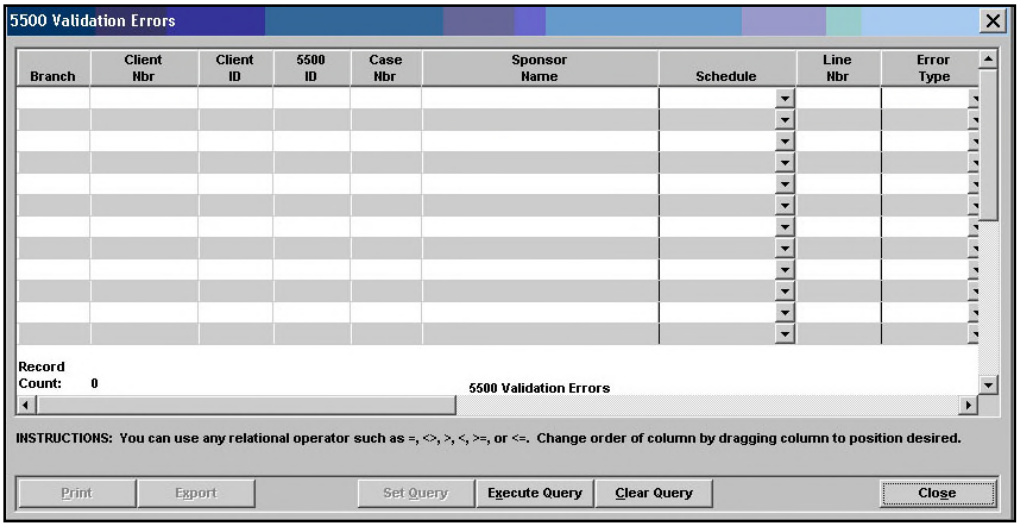


This screen reports fees assessed to Transamerica clients. There is a separate tab for Asset Bridge Fees and for Broker Fees

> **Important:** You may not discuss fees reported on the Schedule A. Clients may contact Transamerica directly to discuss these fees by calling 800-524-8788 or by visiting the Transamerica website at www.trsfunds.com (Transamerica line-up) or www.trsfundspx.com (TRS Transamerica line-up). RRS clients can contact their John Hancock Client Account Representative at 1-800-333-0963

Validation Errors

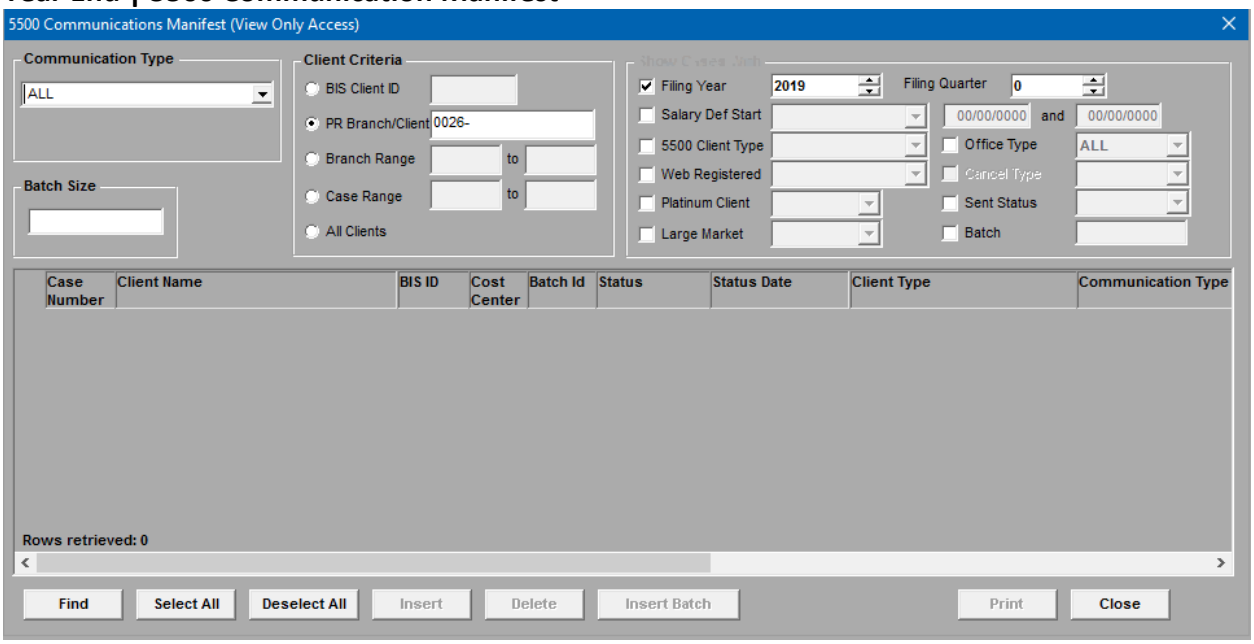
Year End | 5500 Validation Errors



This screen lists the errors that occur during the validation of the client's Form 5500. As errors are corrected, they are removed from this screen. The quickest way to locate a client is to enter the **Case Nbr** (sungard number) and then click **Execute Query**.

Communications

Year End | 5500 Communication Manifest



This screen provides you the status of the 5500 communications. Be sure to choose the correct filing year and then click **Find**. Scroll to the right to see the web username the emails were associated with.

Client Communications

Clients will receive multiple communications from Paychex throughout the Form 5500 filing process. When possible, communications will be sent to the **WEB-401K ADMIN USER email** addresses (viewable in HRIS under **Screens | Client Email Addresses**).

"Important Deadline and Action Required – Your Paychex retirement plan Form 5500 is available online"

This notice will be sent via email to the WEB-401K Admin User email address(es). If there is no email address, then the notice will be via mail. This notice is to inform the client that the Form 5500 is available for viewing and filing via the Paychex Employer Website. There will be several versions of the notice, depending on whether the client has registered for web access, if the client is active, and if the client is cancelled, Strategic Accounts, etc.

Follow up Noficiations:

Towards the filing deadline, Paychex sends a reminder communication to any client that it identifies as having not yet transmitted its Form 5500 via the Paychex 401(k) Employer Website. This reminder will be sent to the client either via email or mail. The reminder communication will indicate for the client the current status of their Form 5500 filing.

The following chart displays the various filing statuses and the instructions for how to complete the filing:

Status	Description	Action required
Extracted	**5500 is available for your review, not filed**	**Review and submit to the DOL**
Filing Processing	**5500 is currently being processed by the DOL**	**Visit our web site for updated status**
Filing Unprocessable	**5500 is not received by the DOL, not filed**	**Make corrections, resubmit filing**
Filing Error	**5500 received by the DOL, corrections needed**	**Fix errors, resubmit as amended filing**
Filing Stopped	**5500 received by the DOL, corrections needed**	**Fix User ID/PIN, resubmit as amended filing**
Filing Received	**5500 received and accepted by the DOL**	**None, if changes needed, resubmit as amended**

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