

Form 5500-SF

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed 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-SF.

OMB Nos. 1210-0110 1210-0089

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

- A This return/report is for: [X] a single-employer plan [] a multiple-employer plan (not multiemployer) (Pension Plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
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 Check box if filing under: [X] Form 5558 [] automatic extension [] DFVC program [] special extension (enter description)
D If the plan is a collectively-bargained plan, check here []
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here []

Part II Basic Plan Information—enter all requested information

1a Name of plan: VENTURE FIRST 401(K) PLAN
1b Three-digit plan number (PN): 001
1c Effective date of plan: 01/01/2024
2a Plan sponsor's name (employer, if for a single-employer plan): VENTURE FIRST, LLC
2b Employer Identification Number (EIN): 45-4571329
2c Sponsor's telephone number: 502-619-0227
2d Business code (see instructions): 541990
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.
4b EIN
4d PN
5a Total number of participants at the beginning of the plan year: 13
5b Total number of participants at the end of the plan year: 12
5c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item): 0
5c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item): 10
5d(1) Total number of active participants at the beginning of the plan year: 13
5d(2) Total number of active participants at the end of the plan year: 12
5e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested: 0

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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.

Table with 4 columns: SIGN HERE, Signature of plan administrator, Date, Enter name of individual signing as plan administrator. Includes entries for GREG GUILFORD dated 09/30/2025.

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) Yes No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) Yes No
- If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.**
- c** 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.)

Part III Financial Information			
7 Plan Assets and Liabilities		(a) Beginning of Year	(b) End of Year
a Total plan assets	7a	0	1126618
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	0	1126618
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	51725	
(2) Participants	8a(2)	89343	
(3) Others (including rollovers)	8a(3)	932537	
b Other income (loss)	8b	53158	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		1126763
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e Certain deemed and/or corrective distributions (see instructions) .	8e		
f Administrative service providers (salaries, fees, commissions)	8f	145	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		145
i Net income (loss) (subtract line 8h from line 8c)	8i		1126618
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics	
9a	If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2E 2F 2G 2J 2K 2T 3B 3D
b	If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions				
10 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)	10a		X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b		X	
c Was the plan covered by a fidelity bond?	10c		X	
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d		X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e		X	
f Has the plan failed to provide any benefit when due under the plan?	10f		X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year-end.)	10g		X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h		X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i			

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below. Yes No

a Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 **11a**

b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

Yes.

No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

No. Other. Provide explanation _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above. Yes No

a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver. Month _____ Day _____ Year _____

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year **12b**

c Enter the amount contributed by the employer to the plan for this plan year **12c**

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**

e Will the minimum funding amount reported on line 12d be met by the funding deadline? Yes No N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? Yes No

a If "Yes," enter the amount of any plan assets that reverted to the employer this year. **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? Yes No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Part VIII IRS Compliance Questions

14a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

14b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

Design-based safe harbor method

"Prior year" ADP test

"Current year" ADP test

N/A

15 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06 / 30 / 2020 (MM/DD/YYYY) and the Opinion Letter serial number Q703302A.

Master Benefit Group, Inc.

September 28, 2025

(314) 270-4200 Ext. 315 fax (314) 270-4210

MComer@MBG401k.com

IRS/DOL FILING DEADLINE – OCTOBER 15, 2025!

VIA EMAIL

Carolle Siegel
Venture First, LLC
333 E Main Street, Suite 210
Louisville, KY 40202

Melissa A. Comer
Vice President

Re: Venture First 401(k) Plan

Dear Carolle:

Enclosed are the following reports for the plan year ending December 31, 2024:

FORM 5500-SF -- In order for us to electronically file the form on your behalf, please follow the instructions below:

- Review the form;
- Sign and date at the bottom of page one;
- Scan (in pdf) the Form 5500 and email to us at MComer@MBG401k.com;
- If you do not have the capability to scan in the form, please deliver the Form 5500 to us **no later than October 2, 2025** in order for the return to be timely filed.

SUMMARY ANNUAL REPORT – Copy and distribute to each participant as soon as possible.

The law requires a fidelity bond of at least 10% of plan assets but not more than \$500,000. Please review your records to ensure that you have secured a sufficient bond as required as soon as possible and provide our office with a copy of the policy.

Please feel free to contact me if you have any questions. We appreciate the opportunity to be of service to you.

Sincerely,

MASTER BENEFIT GROUP, INC.

Melissa A. Comer

Melissa A. Comer
Vice President

Enclosures

cc: Greg Guilford

**2024 FORM 5500
FILING CHECKLIST**

- Review the form.**
- Sign & date where indicated as the Plan Administrator.**
(Per DOL instructions, DO NOT sign as the Employer if the Employer & the Plan Administrator are the same entity. See item 3a.)
- Scan (in pdf) all pages of the Form 5500 and email to:**

MComer@MBG401k.com



MASTER BENEFIT

GROUP

Form 5500-SF

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Short Form Annual Return/Report of Small Employee Benefit Plan

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

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

OMB Nos. 1210-0110
1210-0089

2024

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

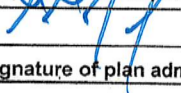
- A** This return/report is for: a single-employer plan a multiple-employer plan (not multiemployer) (Pension plan filers checking this box must attach Schedule MEP. Other plans must attach a list of participating employer information in accordance with the form instructions.)
- B** This return/report is: the first return/report the final return/report
 an amended return/report a short plan year return/report (less than 12 months)
- C** Check box if filing under: Form 5558 automatic extension DFVC program
 special extension (enter description)
- D** If the plan is a collectively-bargained plan, check here
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here

Part II Basic Plan Information --- enter all requested information

1a Name of plan VENTURE FIRST 401 (k) PLAN	1b Three-digit plan number (PN) ▶	001
	1c Effective date of plan	01/01/2024
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) VENTURE FIRST, LLC 333 E. MAIN STREET, SUITE 210 US LOUISVILLE KY 40202	2b Employer Identification Number (EIN)	45-4571329
	2c Sponsor's telephone number	(502) 619-0227
	2d Business code (see instructions)	541990
3a Plan administrator's name and address <input checked="" type="checkbox"/> 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	
5a Total number of participants at the beginning of the plan year	5a	13
b Total number of participants at the end of the plan year	5b	12
c(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	5c(1)	0
c(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	5c(2)	10
d(1) Total number of active participants at the beginning of the plan year	5d(1)	13
d(2) Total number of active participants at the end of the plan year	5d(2)	12
e Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	5e	0

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, if applicable, a Schedule SB or Schedule MB completed and signed by an enrolled actuary, 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		9/30/25	JOHN SHUMATE	Greg Guilford
	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	

For Paperwork Reduction Act Notice, see the instructions for Form 5500-SF.

Form 5500-SF (2024)
v. 240311

- 6a** Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) Yes No
- b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.) Yes No
If you answered "No" to either line 6a or line 6b, the plan cannot use Form 5500-SF and must instead use Form 5500.
- c** 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 year _____ (See instructions.)

Part III Financial Information

		(a) Beginning of Year	(b) End of Year
7 Plan Assets and Liabilities			
a Total plan assets	7a	0	1,126,618
b Total plan liabilities	7b		
c Net plan assets (subtract line 7b from line 7a)	7c	0	1,126,618
8 Income, Expenses, and Transfers for this Plan Year		(a) Amount	(b) Total
a Contributions received or receivable from:			
(1) Employers	8a(1)	51,725	
(2) Participants	8a(2)	89,343	
(3) Others (including rollovers)	8a(3)	932,537	
b Other income (loss)	8b	53,158	
c Total income (add lines 8a(1), 8a(2), 8a(3), and 8b)	8c		1,126,763
d Benefits paid (including direct rollovers and insurance premiums to provide benefits)	8d		
e Certain deemed and/or corrective distributions (see instructions)	8e		
f Administrative service providers (salaries, fees, commissions)	8f	145	
g Other expenses	8g		
h Total expenses (add lines 8d, 8e, 8f, and 8g)	8h		145
i Net income (loss) (subtract line 8h from line 8c)	8i		1,126,618
j Transfers to (from) the plan (see instructions)	8j		

Part IV Plan Characteristics

- 9a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
2E 2F 2G 2J 2K 2T 3B 3D
- b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

Part V Compliance Questions

10 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)	10a	X	
b Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 10a.)	10b	X	
c Was the plan covered by a fidelity bond?	10c	X	
d Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	10d	X	
e Were any fees or commissions paid to any brokers, agents, or other persons by an insurance carrier, insurance service, or other organization that provides some or all of the benefits under the plan? (See instructions.)	10e	X	
f Has the plan failed to provide any benefit when due under the plan?	10f	X	
g Did the plan have any participant loans? (If "Yes," enter amount as of year end.)	10g	X	
h If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	10h	X	
i If 10h was answered "Yes," check the box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	10i		

Part VI Pension Funding Compliance

11 Is this a defined benefit plan subject to minimum funding requirements? (If "Yes," see instructions and complete Schedule SB (Form 5500) and lines 11a and b below.) If this is a defined contribution pension plan, leave line 11 blank and complete line 12 below Yes No

a. Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 **11a**

b PBGC missed contribution reporting requirements. If the plan is covered by PBGC and the amount reported on line 11a is greater than \$0, has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

- Yes.
- No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.
- No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.
- No. Other. Provide explanation _____

12 Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code or section 302 of ERISA? (If "Yes," complete line 12a or lines 12b, 12c, 12d, and 12e below, as applicable.) If this is a defined benefit pension plan, leave line 12 blank and complete line 11 above. Yes No

a If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions, and enter the date of the letter ruling granting the waiver Month Day Year

If you completed line 12a, complete lines 3, 9, and 10 of Schedule MB (Form 5500), and skip to line 13.

b Enter the minimum required contribution for this plan year. **12b**

c Enter the amount contributed by the employer to the plan for the plan year **12c**

d Subtract the amount in line 12c from the amount in line 12b. Enter the result (enter a minus sign to the left of a negative amount) **12d**

e Will the minimum funding amount reported on line 12d be met by the funding deadline? Yes No N/A

Part VII Plan Terminations and Transfers of Assets

13a Has a resolution to terminate the plan been adopted in any plan year? Yes No

If "Yes," enter the amount of any plan assets that reverted to the employer this year **13a**

b Were all the plan assets distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? Yes No

c 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.)

13c(1) Name of plan(s):	13c(2) EIN(s)	13c(3) PN(s)

Part VIII IRS Compliance Questions

14a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? Yes No

14b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

- Design-based safe harbor method
- "Prior year" ADP test
- "Current year" ADP test
- N/A

15 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter 06/30/2020 (MM/DD/YYYY) and the Opinion Letter serial number Q703302a.

SUMMARY ANNUAL REPORT

COPY AND

DISTRIBUTE TO PARTICIPANTS



MASTER BENEFIT

GROUP

**SUMMARY ANNUAL REPORT
for
VENTURE FIRST 401(k) PLAN**

This is a summary of the annual report for VENTURE FIRST 401(k) PLAN, 45-4571329/001 for 01/01/2024 through 12/31/2024. The annual report has been filed with the Employee Benefits Security Administration, formerly known as the Pension and Welfare Benefits Administration, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Plan expenses were \$145. These expenses included \$145 in administrative expenses, \$0 in benefits paid to participants and beneficiaries, and \$0 in other expenses. A total of 12 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan was \$1,126,618 as of 12/31/2024 compared to \$0 as of 01/01/2024. During the plan year the plan experienced an increase in its net assets of \$1,126,618. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$1,126,763, including employer contributions of \$51,725, employee contributions of \$1,021,880 and earnings from investments of \$53,158.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request.

To obtain a copy of the full annual report, or any part thereof, write or call the office of VENTURE FIRST, LLC, who is Plan Administrator at 333 E. MAIN STREET, SUITE 210, LOUISVILLE KY 40202, (502) 619-0227. The charge to cover copying cost will be \$2.50 for the full annual report, or \$0.25 per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, if any, or a statement of income and expenses of the plan and accompanying notes, if any, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes, if any, will be included as part of that report. The charge to cover copying costs given above does not include a charge for copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan at 333 E. MAIN STREET, SUITE 210, LOUISVILLE KY 40202 and at the US Department of Labor in Washington DC, or obtain a copy from the US Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, US Department of Labor, 200 Constitution Avenue, NW, Washington DC 20210.

FIDELITY BOND REQUIREMENT

In accordance with Section 412(b) of the Employee Retirement Income Security Act (ERISA), all fiduciaries and any other individuals who handle Plan assets must be covered by a fidelity bond. The purpose of the fidelity bond is to protect a retirement Plan's assets from loss due to dishonesty, fraudulent activity or negligence on the part of the fiduciary or any other individual who handles Plan assets. In order to assist you in complying with the bonding requirement, please note the following items:

Employers that sponsor plans with only owners and/or their spouse(s) as sole Plan Participants are exempt from the bonding requirement.

A fidelity bond must be purchased and in effect with an approved surety company before any Plan assets are handled.

The minimum bond amount required must be for at least 10% of Plan assets as of the beginning of the Plan Year plus the anticipated contribution for the Plan Year or \$1,000, whichever is greater.

The maximum bond required under ERISA is for \$500,000, though many Employers elect to cover 100% of Plan assets. Effective for plan year beginning after 2007, the bonding requirement for plans that hold employer securities is increased to \$1,000,000.

For plans with more than 5% of assets invested in nonqualifying assets, the bond must cover the amount of nonqualifying assets in order to avoid the audit requirement. Refer to the Form 5500 section for additional information.

Under the terms of the fidelity bond, the Plan should be designated as the "loss payee" for any future claims.

Plan sponsors must evaluate their bond coverage at the beginning of each subsequent Plan Year to ensure that the minimum bonding requirements are met and, if necessary, to increase the amount of the bond.

The amount and the carrier of the fidelity bond must be reported annually on IRS Form 5500.

Please note that procuring a fidelity bond for your retirement plan is NOT optional, as it is an ERISA compliance requirement. Therefore, it is recommended that you contact your insurance carrier for information on approved surety companies in purchasing this bond. A bond generally may be secured by adding a pension plan rider to an employer's existing general liability coverage.