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*"The Pension Specialists"*



# Update On The DOL's Fiduciary Rules

On August 31, 2017, the EBSA/DOL furnished a proposed rule to extend the transition period and to delay various applicability dates. Comments were to be submitted by September 15, 2017.

Presumably, these proposed changes will be adopted on a final basis within the next 1-3 months. There was virtually no comment period.

Prior to the issuance of the new proposed rule, the DOL had submitted on August 9, a request to the Office of Management and Budget ("OMB") proposing various amendments to the existing regulation. The OMB did review the proposed amendments and approved them.

The new applicability date will be July 1, 2019 rather than January 1, 2018. There is an 18 month delay.

There is also an extension of the transition period which will now end on June 30, 2019. During the transition period, a fiduciary is not required to comply with all of the BIC exemption requirements. The fiduciary must comply with the impartial conduct standards which require the furnishing of advice in the best interest of the individual, which cannot be misleading and the compensation received must be reasonable.

The delay applies to the:

1. Best Interest Contract Exemption (PTE 2016-01)

2. Class Exemption for Principal Transactions in Certain Assets Between Advice Fiduciaries and IRAS and Employee Benefit Plans (PTE 2016-02); and

3. Prohibited Transaction Exemption 84-24 for Certain Transactions Involving Insurance Agents and Brokers, Pension Consultants, Insurance Companies, and Investment Company Principal Underwriters (PTE 84-24).

The cited reason for the delay is the DOL's ongoing review of the Fiduciary Rule and the related prohibited transactions. The current DOL is considering issuing new proposed rules which would be different than those adopted by the Obama administration. However, there has been no indication yet by anyone at the DOL that the Fiduciary Advice definition would be changed.

# New Tax Law Enacted for Hurricanes Harvey, Irma, and Maria

On Friday, September 29, 2017, President Trump signed the Disaster Tax Relief and Airport and Airway Extension Tax of 2019. It became law on October 2nd.

Victims of Hurricanes Harvey, Irma, and Maria will benefit from the special disaster-related tax rules which have applied to some previous disasters.

After the horrific 2005 Hurricanes Katrina, Rita, and Wilma tax legislation was enacted changing on a temporary basis certain IRA and pension laws. The concept-give individuals who have suffered economic damages to have access to their IRA and pension funds to aid in their recovery without having to incur the normal tax consequences.

Similar legislation was proposed and enacted when Senator Grassley (Iowa)

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# IRS Revises IRA Model Forms - 5305 Series

The IRS has updated their model IRA forms for traditional IRAs, Roth IRAs and SIMPLE IRAs. The IRS issued the revisions in April of 2017. The IRS has not issued any guidance as to when an IRA custodian or IRA trustee must use the April 2017 versions for either new IRA accountholders or existing IRA accountholders.

### Traditional IRA Form Changes

The sole change to the traditional IRA Forms 5305 and 5305-A was to change Article I to set forth the 2017 IRA contribution limit so it reads as follows,

Article I

Except in the case of a rollover contribution described in section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), an employer contribution to a simplified employee pension plan as described in section 408(k) or a recharacterized contribution described in section 408A(d)(6), the trustee will accept only cash contributions up to $5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to $6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of-living adjustment, if any.

### Roth IRA Form Changes

There are two changes to the Roth IRA Forms 5305-R and 5305-RA. First, Articles I and II have been changed to set forth the 2017 Roth IRA contribution and income limits. Secondly, prior forms had provisions not allowing a conversion contribution to be made in certain situations. Such laws were repealed effective for tax year 2010. The sentences in Article II discussing the old conversion rules have been deleted.

Article I

Except in the case of a qualified rollover contribution described in section 408A(e), or a recharacterized contribution described in section 408A(d)(6), the custodian will accept only cash contributions up to $5,500 per year for 2013 through 2017. For individuals who have reached the age of 50 by the end of the year, the contribution limit is increased to $6,500 per year for 2013 through 2017. For years after 2017, these limits will be increased to reflect a cost-of living adjustment, if any.

Article II

1. The annual contribution limit described in Article I is gradually reduced to $0 for higher income level. For a grantor who is single or treated as single, the annual contributions is phased out between adjusted gross income (AGI) of $118,000 and $133,000; for a married grantor filing jointly, between AGI of $186,000 and $196,000; and for a married grantor filing separately, between AGI of $0 and $10,000. These phase-out ranges are for 2017. For years after 2017, the phase-out ranges, except for the $0 to $10,000 range, will be increased to reflect a cost-of-living adjustment, if any.

2. In the case of a joint return, the AGI limits in the preceding paragraph apply to the combined AGI of the depositor and his or her spouse.

### SIMPLE IRA Form Changes

The sole change to the SIMPLE IRA Forms 5305-S and 5305-SA was to change Article I to set forth the new rules allowing rollover contributions to be made with respect to distributions from other eligible employer plans and other eligible IRAs as long as the 2 year requirement has been met.

Article I

The trustee will accept cash contributions made on behalf of the participant by the participant's employer under the terms of a SIMPLE IRA plan described in section 408(p). In addition, the trustee will accept transfers or rollovers from other SIMPLE IRAs of the participant and, after the 2-year period of participation defined in section 72(t)(6), transfers or rollovers from any eligible retirement plan (as defined in section 402(c)(8)(B)) other than a Roth IRA or a designated Roth account. No other contributions will be accepted by the trustee.

### CWF Revisions

CWF will be issuing an IRA Form System update in December and the applicable forms will reflect the IRS versions of April 2017. Print versions shipped on or after October 23, 2017 will reflect these changes.

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# Understanding SIMPLE-IRA Rollover and Transfer Rules

Prior to December 18, 2015, there were special rollover and transfer rules for SIMPLE-IRAs. SIMPLE-IRA funds were ineligible to be rolled into a 401(k) plan, 403(b) plan, or other employer sponsored retirement plan. Funds in a 401(k) plan, 403(b) plan or other employer sponsored retirement plan were ineligible to be rolled over into a SIMPLE-IRA. SIMPLE-IRA funds were only eligible to be transferred or rolled over into a traditional IRA if the individual had met the two year requirement.

Since there were times when traditional IRA funds were impermissibly transferred into a SIMPLE-IRA, the IRS has written its recharacterization rules to allow such a mistake to be corrected.

The IRS did not authorize the use of the recharacterization rules if SIMPLE-IRA funds were impermissibly transferred or rolled over into a traditional IRA before the two year requirement was met. Such a movement had to be reported as a taxable distribution subject to the 25% tax, if applicable.

Also note the IRS did not authorize the use of the recharacterization rules if SIMPLE-IRA funds were impermissibly transferred or rolled over into a 401(k) plan or other employer retirement plan. Such a movement had to be reported as a taxable distribution subject to the 25% tax, if applicable.

On and after December 18, 2015, the laws regarding rolling over and transferring retirement funds into and out of SIMPLE-IRAs were changed.

SIMPLE-IRA funds are now eligible to be rolled into a 401(k) plan, 403(b) plan or other employer sponsored retirement plan if the individual has satisfied the two year requirement. If the two year requirement has not been met, the distribution must be included in income as it is ineligible to be rolled over. The 25% tax will apply. if applicable. The recharacterization rules do not apply.

Funds in a 401(k) plan, 403 (b) plan or other employer sponsored retirement plan are now eligible to be rolled over into a SIMPLE-IRA if the individual has satisfied the two year requirement. If the two year requirement has not been met, the distribution must be included in income as it is ineligible to be rolled over. The 10% tax will apply, if applicable. The recharacterization rules do not apply.

The IRS has not revised its recharacterization rules on account of the change in the rollover and transfer rules for SIMPLE-IRAs. We believe the following rules apply on or after December 15, 2015.

A person who moves traditional IRA funds into a SIMPLE-IRA before the two year requirement has been met is allowed to correct the mistake by recharacterizing it. There are no adverse tax consequences.

A person who moves SIMPLE-IRA funds impermissibly into a traditional IRA before the two year requirement is met is not allowed to use the recharacterization rules and such movement is a taxable distribution subject to the 25% tax, if applicable.

Current law authorizes rollovers and transfers not permitted prior to December 18, 2015. To be eligible for such new rollovers and transfers, the individual must have met the two year requirement. If the two year requirement has not been satisfied, the individual is required to include the distribution in income and pay the 10% or 25% tax as applicable.

# Charge a Fee For a Direct Rollover of IRA Funds to a 401(k) Plan

A financial institution should consider instituting a fee if it agrees to directly rollover a customer's IRA funds to his or her account within an employer's 401(k) or 403(b) as discussed in the following email situation/question. It is only logical and right that a financial institution receive a reasonable fee for helping a customer when it agrees to issue a check directly to the 401(k) plan. You are helping your customer and also the 401(k) plan.

Technically, a direct rollover cannot occur between an IRA and a 401(k) plan as the law defines a direct rollover as only being between an employer sponsored plan and an IRA. But the IRS has adopted the rule that the reporting rules applying to a direct rollover from a 401(k) plan to an IRA are also to be used if the funds move from an IRA to a 401(k) plan.

**An email question/situation:**

Question regarding an IRA rollover from our bank to the customer's 403b retirement plan. Assume the best is to issue a check directly to the customer and code the 1099-R as a G code? The customer will have to sign an IRA distribution form?

Please let me know if this is correct?, I have not had a request like this before, it is usually the reverse from a retirement plan into an IRA at the bank. Thanks so much for your help!

**CWF's answer/response:**

The easiest approach for the bank is to issue the check to her and you would use code 1 if she is under age 59½ and 7 if she is over age 59½. You treat it as a normal distribution. Then she makes a rollover contribution to the plan.

The tax code does not require an IRA custodian to issue the check to the plan. However, many plans require the check to come from the IRA issued to the plan since this simplifies the plan administrator's administrative concerns regarding accepting a rollover contribution.

If your institution decides to be nice and accommodate your customer, you will issue the check to ABC 401(k) Plan fbo Jane Doe. Use CWF's Form 69 or a similar form as prepared by the plan administrator. And then you would use the reason code G in box 7 of the Form 1099-R. When G is used box 2, taxable amount, is to be completed with 0.00 as you know the amount is non-taxable as you sent the funds directly to the plan. As you indicated it is the reverse of a direct rollover coming from a pension plan to an IRA.

An IRA custodian may have a fee for this special service as long as it has been disclosed. Like with transfer fees, we expect many customers would be willing to pay a reasonable fee for this special service.

Whether the IRA custodian/trustee issues the check to the 401(k) plan (or other employer sponsored retirement plan) or to the individual, the individual (or their tax preparer) will be required to complete their federal income tax return showing the distribution and that it is not taxable because there was a rollover. They should attach a copy of CWF's Form #69 or a similar form.

Why? The IRA custodian prepares a Form 1099-R to report the distribution, but the 401(k) plan does not on an individual basis prepare any IRS reporting form showing specifically which individuals made rollover contributions. That is, the IRS has been sent the Form 1099-R indicating the person took a distribution, but nothing showing the individual made a rollover. The IRS believes every IRA distribution is taxable unless there is an explanation furnished why it is not taxable.

Note that funds that are withdrawn from an IRA and rolled into a 401(k) plan or other employer sponsored retirement plan are not subject to the once per year rule (365 days).

We at CWF have never seen the IRS discuss if and how the 60 day rollover rule applies to this transaction. We believe it does. So, if for some reason the rollover failed to satisfy the 60 day rule, one would need to determine if the individual would qualify under one of the 60 day waiver procedures.

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was chairman of the Senate Finance Committee. In 2008 there were many tornadoes and floods in a number of midwestern states. Kevin Brady (Texas) is now the chairman of the U.S. Ways and Means Committee. He introduced on September 25, 2017, a tax bill, (The Disaster Tax Relief and Airport and Highway Extension Act of 2017) with the similar relief provisions. The U.S. House of Representatives and the U.S. Senate passed the tax relief legislation on September 28th and President Trump signed on September 29th. It became Public Law 116-53 on October 2nd.

The general rule is that a distribution from an IRA or a pension plan is subject to a 10% additional tax if the recipient has not yet attained age 59 1/2. The first favorable tax law change is that the 10% tax will not apply to any "qualified Hurricane distribution." In general, individuals directly involved with Hurricanes Harvey, Irma, and Maria will now be able to with draw funds from their IRA (and possibly from some pension plans) on or before December 31, 2018, and they will not owe the 10% additional tax. Such distribution will generally be included in income and will be taxable. Technically, there are three distinct Hurricane disaster area. With respect to Hurricane Harvey, an individual must have had her or her principal abode within the Hurricane Harvey disaster area and sustained an economic loss which occurs on or after August 28, 2017 and before January 1, 2019. With respect to Hurricane Irma, an individual must have had her or her principal abode within the Hurricane Irma disaster area and sustained an economic loss which occurs on or after September 4, 2017, and before January 1, 2019. With respect to Hurricane Maria, an individual must have had her or her principal abode within the Hurricane Maria disaster area and sustained an economic loss which occurs on or after September 14, 2017, and before January 1, 2019. However, such distributions, when aggregated, must be $100,000 or less. Any distribution in excess of $100,000 (in the aggregate) will not be a qualified Hurricane distribution and will be subject to the 10% additional tax, if applicable, and will not receive the other favorable treatments discussed below.

The second favorable tax law change is that the 20% mandatory tax withholding rule, with respect to an eligible, rollover distribution from an employer plan, will not apply if such distribution is a qualified Hurricane distribution. Individuals will be able to instruct that they do not want withholding.

The third favorable tax law change is that an individual is allowed to repay or roll over such distribution to a traditional IRA or IRA annuity, a qualified trust, 403(a) plan, 403(b) plan or an eligible 457 plan, but the time given to complete the rollover is much longer than the standard 60 days. The time period for this special rollover is, "at any time during the three-year period beginning on the day after the date on which such distribution is received." For example, if a person took a distribution of $30,000 from her IRA on September 1, 2017, then as long as she contributes the amount of $30,000 (in one or more contributions) on or before September 1, 2020, the distribution of the $30,000 will not be taxable.

The fourth favorable law change is that a person who receives a qualified Hurricane distribution will include 1/3 of the distribution in income for the year of the distribution, plus 1/3 of the distribution in each of the following two years. For example, if Sara Jones withdraws $27,000 on October 10, 2017, then she will include $9,000 in income for 2017, 2018, and 2019.

However, if Sara rolls over $24,000 on July 1, 2020, then she presumably will be entitled to refunds with respect to her 2017 and 2018 tax returns. She would owe income tax with respect to the $3,000 which she did not roll over. It appears she would owe income tax on $1,000 for 2017, 2018, and 2019.

The fifth favorable law change is that a qualified Hurricane distribution is treated as meeting the "hardship" distribution requirements set forth in sections 403(b)(7)(A)(ii), 403(b)(11) and 457(d)(1)(A).

The sixth favorable law change creates another special rollover rule. There were some individuals who withdrew money from their 401(k) or 403(b) plans to purchase or construct a principal residence in the Hurricane disaster area (but such residence was not so purchased or constructed on account of Hurricane, or withdrew funds from an IRA because they qualified as a first-time home buyer, to purchase or construct a principal residence in the Hurricane disaster area (but such residence was not so purchased or constructed on account of Hurricane. If such a person received a qualified distribution after February 28, 2017, and before September 21, 2017 then

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he or she will be granted rollover treatment as long as the recontribution occurs during the period beginning on August 23, 2017, and ending on February 28, 2018.

The seventh, eighth, and ninth law changes relate to three changes in the standard loan rules. The new rules will only apply to an individual whose principal place of abode is located in the Hurricane Disaster area, and who has sustained an economic loss by reason of Hurricane. Such a person is called a '"qualified individual." One standard loan rule is that the maximum amount which can be borrowed is $50,000. This law increases the maximum loan amount to $100,000. A second standard loan rule is that a loan must be sufficiently collateralized and only 50% of a person's vested account balance may be used as collateral. Although the law allowed a person to pledge additional collateral, most plans were written to limit the loan to 50% of a person's vested account balance because the plan administrator did not want to have to administer the collateral. A qualified individual will not need to pledge any collateral, because under the new law he or she is now allowed to use 100% of his or her vested account balance as collateral. A third standard loan rule is that the loan must be repaid over a five-year period. With respect to those individuals within the Hurricane Harvey disaster area who have suffered economic loss, the new law delays for one year all subsequent loan payments due with respect to an outstanding loan as of August 23, 2017. With respect to those individuals within the Hurricane Irma disaster area who have suffered economic loss, the new law delays for one year all subsequent loan payments due with respect to an outstanding loan as of September 4, 2017. With respect to those individuals within the Hurricane Maria disaster area who have suffered economic loss, the new law delays for one year all subsequent loan payments due with respect to an outstanding loan as of September 14, 2017.

The IRS will certainly be issuing further guidance of these new laws and their impact on IRAs and pension plans. The law contains a provision that provides that pension plans will remain "qualified" until on or before the last day of the first plan year beginning on or after January 1, 2017, or such later date as the Secretary of the Treasury may prescribe. The IRS will be giving guidance as to how and when amendments (including model amendments) may be adopted by a sponsoring employer.

# Email Consulting Guidance

**Reverse Direct Rollover question**

I have an IRA question....I received a letter from Prudential today for one of my IRA customers. They want me to send the balance in our customer's IRA to be deposited into a 401K plan there. I am to make the check out to Prudential for the Benefit of the customer. Would that be coded as a distribution code G-Direct rollover/rollover or a transfer? Since I am making the check out to Prudential and not the customer I was thinking a transfer, however, it is not an IRA there but a 401K. Just wanted to be sure we get the reporting right as if I do a distribution a tax form will be produced at the end of the year. If I do a transfer debit it will not be reportable, correct?

**CWF Guidance**

You are correct - since the plan types are different there must be IRS reporting. This is not a non-reportable transfer.

An IRA custodian on the individual's 1099-R form should report in box 1 the gross amount, box 2a should be completed with a 0.00 and box 7 should be completed with a G. IRS instructions are unclear as how you are to complete box 2b. I would not check the box as the 0.00 indicates that you know the distribution is not taxable.

As a customer service you should remind your customer to complete their tax return to show a rollover contribution was made. They may even wish to attach a copy of the Prudential letter or form because the 401(k) plan does not prepare any form for the IRS indicating the rollovers which it received.

**RMD Question/Guidance**

IRS guidance is clear, if a person has multiple IRAs (could be traditional, SEP or SIMPLE) there must be an RMD calculation for each IRA plan agreement, and the individual is able to withdraw the aggregated RMD from one or more of such IRAs. A person who has a traditional IRA and a SEP-IRA could withdraw 100% of the combined RMD amount from the SEP-IRA or the traditional IRA.

An IRA owner who attains age 70 1/2 during 2017 during 2017 has until 4/1/28 to withdraw his 2017 RMD. He may take 100% of his 2017 RMD during 2017, he may take 100% of his 2017 RMD in 2018 by 4/1/2018. The individual is required to include a distribution in his income for the year he withdraws the distribution. A person who takes 100% of his 2017 RMD in 2018 and 100% of his 2018 RMD in 2018 will include both amounts in his 2018 income.

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# Simpler Form 5500-EZ Filing Requirements for 2016 versus 2017

The IRS has released the draft of the 2017 version of Form 5500-EZ. As the IRS had previously indicated the Compliance and Funding Questions as set forth in Part V have been changed.

Set forth below are Part V of the 2016 version and Part V of the 2017 Draft version.

## 2016 Version

**Part V Compliance and Funding Questions**

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| 10 | During the plan year, did the plan have any participant loans? If "Yes," enter amount as of year end | 10 | | | |
| 11 | Is this a defined benefit plan that is subject to minimum funding requirements? If "Yes," complete Schedule SB (Form 5500) and line 11a below. (See instructions.) | 11 | | | |
| a | Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500), line 40 | 11a | | | |
| 12 | Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code? | 12 | | | |
| | If "Yes," complete lines 12a or 12b, 12c, 12d, and 12e below, as applicable: | | | | |
| a | If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, enter the month, day, and year (MM/DD/YYYY) of the letter ruling granting the waiver (see instructions) | 12a | | | |
| 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 | | | |

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

13a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter (MM/DD/YYYY) _____ and the serial number _____ (skip this question).

b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter (MM/DD/YYYY) _____ (skip this question).

| | | | Yes | No |
|---|---|---|---|---|
| 14 | Was any plan participant a 5% owner who had attained at least age 70½ during the prior plan year? (skip this question) | 14 | | |
| 15 | Defined Benefit Plan or Money Purchase Pension Plan only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service? (skip this question) | 15 | | |

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

Under penalties of perjury, I declare that I have examined this return including, if applicable, any related Schedule MB (Form 5500) or Schedule SB (Form 5500) signed by an enrolled actuary, and to the best of my knowledge and belief, it is true, correct, and complete.

**Sign Here** ▶

Signature of employer or plan administrator | Date | Type or print name of individual signing as employer or plan administrator

Preparer's name (including firm name, if applicable) and address, including room or suite number (skip this question) | Preparer's telephone number (skip this question)

Form **5500-EZ** (2016)

## 2017 Version (Draft)



**Part V Compliance and Funding Questions**

| | | | Yes | No | Amount |
|---|---|---|---|---|---|
| 9 | During the plan year, did the plan have any participant loans? If "Yes," enter amount as of year end | 9 | | | |
| 10 | Is this a defined benefit plan that is subject to minimum funding requirements? If "Yes," complete Schedule SB (Form 5500) and line 10a below. (See instructions.) | 10 | | | |
| a | Enter the unpaid minimum required contributions for all years from Schedule SB (Form 5500), line 40 | 10a | | | |
| 11 | Is this a defined contribution plan subject to the minimum funding requirements of section 412 of the Code? | 11 | | | |
| | If "Yes," complete lines 11a or 11b, 11c, 11d, and 11e below, as applicable. | | | | |
| a | If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, enter the month, day, and year (MM/DD/YYYY) of the letter ruling granting the waiver (see instructions) | 11a | | | |
| b | Enter the minimum required contribution for this plan year | 11b | | | |
| c | Enter the amount contributed by the employer to the plan for this plan year | 11c | | | |
| d | Subtract the amount in line 11c from the amount in line 11b. Enter the result (enter a minus sign to the left of a negative amount) | 11d | | | |

| | | | Yes | No | N/A | |
|---|---|---|---|---|---|---|
| e | Will the minimum funding amount reported on line 11d be met by the funding deadline? | 11e | | | | |

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

Under penalties of perjury, I declare that I have examined this return including, if applicable, any related Schedule MB (Form 5500) or Schedule SB (Form 5500) signed by an enrolled actuary, and, to the best of my knowledge and belief, it is true, correct, and complete.

**Sign Here** ▶

Signature of employer or plan administrator | Date | Type or print name of individual signing as employer or plan administrator

Form **5500-EZ** (2017)

## CWF's Discussion.

In late 2015 the IRS wrote additional compliance questions for the 2016 version of Form 5500-EZ in order to gather additional information to determine if the IRS might want to audit an individual regarding their sponsoring a profit sharing or other type of small qualified plan.

In early 2016 the IRS changed its administrative approach. It decided that certain compliance questions (13-15) and question #4 (trustee information) did not need to be completed.

The most important question was Question #13 dealing with whether the plan sponsor had timely updated their profit sharing plan or other qualified plan by adopting an approved prototype.

The IRS' deleting these questions will make completing the form much easier and less worrisome for some filers.

The IRS' position is: a person is required to file the 2017 Form 5500-EZ if the plan assets were $250,000 or more as of December 31, 2017 or if the plan was terminated during 2017 regardless of the size of the plan assets.

Sponsors of profit sharing plans who terminated such plans during 2017 should prepare and file their final 2017 Form 5500-EZ and file it with Ogden, Utah IRS location. Sponsors should wait until the IRS issues the final version of 2017 Form 5500-EZ.