



Pension Analyst

Compliance Bulletin

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Form 5500 Schedules SB and MB revised to reflect PRA 2010 funding relief

On April 5, 2011, the Department of Labor (DOL) announced technical revisions to the Form 5500 Schedule MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) and the Schedule SB (Single-Employer Defined Benefit Plan Actuarial Information). These revisions reflect funding relief alternatives available to [single-employer](#) and [multiemployer](#) defined benefit plans under the Preservation of Access to Care for Medicare and Pension Relief Act of 2010 ("PRA 2010").

Background

PRA 2010 provided retroactive funding relief by extending the period for defined benefit plans to amortize any funding shortfall. In Notice 2010-83 (applicable to multiemployer plans) and Notice 2011-3 (applicable to single-employer and multiple employer plans) the IRS provided that plan sponsors who elect to use an alternative amortization schedule for a plan year after filing the Form 5500 and Schedule SB or Schedule MB for that plan year, which did not reflect this election, are not required to file an amended Form 5500. Instead, the Schedule SB or MB filed for a later plan year, no later than the 2010 plan year, must include an attachment that accurately reflects the effect of any election to use an alternative amortization schedule for the 2008 or 2009 plan year.

Recent guidance

The technical revisions to these actuarial schedules are effective April 5, 2011, and require changes to Schedule MB and Schedule SB for the 2011 plan year. As a result, those plans to which the PRA 2010 alternative funding methods apply for 2011 and later plan years must include the related information on the appropriate Schedule for 2011 and later Form 5500 filings, rather than creating attachments as described in Notices 2010-83 and 2011-3.

Next steps

The revised Schedules will not be available until plan sponsors prepare their 2011 plan year filings (in 2012). For 2010 plan year filings, sponsors must still create attachments as described in the IRS Notices. The sponsor of a plan that has a short plan year in 2011 that requires a Form 5500 filing before the revised Schedules are available will also have to file an attachment to disclose any required funding relief information.

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