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**Sent:** Friday, December 02, 2016 3:36 PM  
**To:** EBSA, E-ORI - EBSA  
**Cc:** 'Ann McAdam'; 'Lynda Taylor'; jmoreno  
**Subject:** Comment on RIN 1210-AB63

December 2, 2016

Ms. Phyllis Borzi  
Assistant Secretary  
Employee Benefits Security Administration  
Department of Labor  
200 Constitution Ave. NW  
Washington D.C. 20210

**RE: Proposed Rule Annual Reporting and Disclosure (RIN 1210-AB63)**

Dear Assistant Secretary Borzi:

Wrangle, LLC has prepared Health and Welfare Form 5500s since 2006. In fact, we have prepared thus far 115,000 reports. On a regular basis, we work with all who come in contact with the Form 5500 during its preparation to the e-filing phases: the Plan Sponsor and Brokers (we work with approximately 2,500 broker reps and direct clients across the United States) as well as Insurance Carriers, Third Party Administrators, the DOL-approved Software vendor – Relius and the Department of Labor's EBSA office. From our years of experience as well as opportunities to work with everyone involved, we have a highly credible and developed perspective and understanding of the 5500.

After reading the proposed changes to the 2019 Form 5500 report, we would like to comment on the proposed annual reporting requirements for plans that provide group health benefits, including the new Schedule J. More specifically our commentary centers on the following details in the proposed ruling:

*New reporting requirements for the 2.15 million welfare plans that provide group health benefits that we estimate are currently covered under Title I of ERISA, but exempt under current Form 5500 annual reporting rules, represent over 73 percent of the increased burden for the entire proposal.*

Source: <https://www.gpo.gov/fdsys/pkg/FR-2016-07-21/pdf/2016-14892.pdf>

Each month on average we provide outside training five to seven times, reaching an audience from 20 up to 1,000 at a time. Even with all of the information on the Department of Labor's website and scores of other helpful resources, we are still asked to present a basic 101-type presentation including those who are well versed in employee benefits and work with large groups. The requests to learn center around what is a Plan Document and/or the Plan Year, who is a participant, what are the due dates, what is requested on each of the Schedules, what is found on a Schedule A vs Schedule C...the questions are never ending. Additionally we receive dozens of emails and calls daily also inquiring on the fundamental points of the 5500s and/or Schedules.

To find ways to train those who already file 5500 reports on the changes will be a time and cost consuming challenge. However, when one considers the need to bridge to a whole new sector of filers, many in our line of work have simply said they won't –they are planning their retirement early. They foresee what lies

ahead – a Herculean effort. Never the less, Wrangle is fully committed to bring to the forefront the right training material for our brokers and all others. Conversely, we cannot do this alone...

We seek to partner with you in the development of the needed reference material, tools and learning sessions on how to approach the revised 5500 as well as complete it. This is in particular importance for the small groups who will work on these for the first time. The intent may be for these groups to only provide, *"registration-type and other nominal benefit coverage information;"* however, brokers for small groups have already relayed to us that small groups are inundated with ERISA compliance, and brokers do not have the resources to provide this service to their smaller clients. One more set of tasks could be the straw that broke the camel's back. As a result, we need to convey the understanding of these 5500s with easily adaptable seamless steps and clear direction. We also need to give a sense of a personal touch. While you work on the broad messaging for all, in partnership with you, we can be on the front lines with these brokers delivering the key fundamental lessons.

On a separate front, we also have another aspect to bring forward. Using the past monumental changes to the Form 5500s as a baseline, the timeframe from the proposal phase to a final ruling was around a year's time. As a result, the final ruling for 2016's proposed changes would be around mid to the end of 2017 (possibly even early 2018 if revisions to the proposed rule are required). This would only provide 2 ½ years or less before filing the 2019 Form 5500s. Even with the DOL being proactive to communicate what will be necessary, this is just not enough time to grab the attention of those who have never filed in the past. Additionally time is needed to learn, create training material, produce reference tools and educate mass amounts of Plan Sponsors as well as the Brokers. We therefore ask for more time to be allocated before the ruling is to be applied. This was done for previous changes to the 5500 such as e-filing for the 2008 Form 5500s or streamlining the 5500s for the 1999 Form 5500s. It will not solve the challenges we face but it will be a help.

Furthermore, in consideration of the statement, *"New reporting requirements for the 2.15 million welfare plans that provide group health benefits that we estimate are currently covered under Title I of ERISA, but exempt under current Form 5500 annual reporting rules"* we see a need to have a tiered start time for small groups. For an example: Have those with 50-99 enrolled participants start on the 2020 Form 5500s and those with 49 or less enrolled participants start on the 2021 Form 5500s. To have a blitz of all of the new filers at once seems to set the stage for chaos, confusion, mistakes and frustration.

In conclusion, Wrangle respects the Secretary of Labor's position to establish additional reporting and disclosure requirements for ERISA plans, per the statute, §1026(a). Employee benefits evolve in so many different facets. The challenge for all of us as well as the Form 5500 is to not just keep up but evolve with the industry. For a successful transition we need the adequate amount of time, a livestream of knowledge and expertise and clear understanding on how to execute.

Best regards,

Ann McAdam  
Technical Consultant

**Wrangle, LLC**

**ERISA Reporting & Disclosure**

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