



December 5, 2016

Office of Regulations and Interpretations
Employee Benefits Security Administration
Attn: RIN 1210-AB63
Annual Reporting and disclosure, Room N5655
U.S. Department of Labor
200 Constitution Avenue NW
Washington, DC 20210

Re: Proposed Revision of Annual Information Return/Reports (RIN 1210-AB63)

Eide Bailly wishes to take this opportunity to comment on the proposal to update the annual reporting of employee benefit plans governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA).

As a CPA firm operating in 13 states west of the Mississippi River, Eide Bailly serves thousands of clients that are considered small to mid-market. It is in our capacity as auditors of employee benefit plans and preparers of the Form 5500 Annual Return/Report of Employee Benefit Plan for these clients that we have the following observations. As to the separate matter of the impact to the CPA profession, we echo the comments provided by the American Institute of Certified Public Accountants (AICPA) in their letter dated November 22, 2016.

Expanded Technical Detail – We appreciate the desire on the part of regulators and researchers to gather more information from the annual reporting for employee benefit plans. However, we have concerns about the logistics of accessing this expanded request for information and ensuring the responses are accurately reflected in the return, particularly in the small plan category where no audit has been performed. We believe a number of the proposed questions call for conclusions or legal opinions that will require more coordination among all service providers of the plan, plus additional in-house training and use of higher-level staff as return preparers.

Public Document – Weighing the desire for transparency against the right of the plan sponsor and the service providers to confidentiality, we strongly encourage moving certain sensitive information, such as that found on the proposed Schedule J, to a separate filing similar to the Form 8955-SSA.

Increase in Required Plan Filings – The Department's estimate of over 2 million additional Form 5500 filings is staggering. Coupled with the increased complexity of the return, workforce challenges will need to be addressed to meet these demands. If the Department concludes it is truly necessary to have all plans report, we strongly encourage the use of postcard reporting for the smallest of plans, similar to the Form 990-N for small tax-exempt organizations.

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Cost-Benefit – The purpose and underlying goal for collecting the information in the proposal has been explained. However in comparison to the burden placed on the plan sponsor does the benefit outweigh the cost? Additional costs are inevitable for all service providers and those costs will be pushed down to the plan sponsor. Small employers are already struggling to comply with the requirements of the Affordable Care Act. If faced with additional plan costs (and potential civil penalties) there may be the unintended consequence where the employer concludes the best way to manage the increased risk and expense is to terminate the employee benefit plans entirely.

Timeline - The proposed revisions are ambitious and far-reaching in their impact to the service providers and plan sponsors. Implementing the new form for the 2019 plan year does not appear to be realistic in light of necessary notifications to impacted parties, changes that need to be made to systems and training of preparers.

Public Hearing – Bringing the stakeholders together to discuss and collaborate helps build consensus on the ultimate process. We are in favor of continuing with open and inclusive dialog to ensure a viable and reliable plan reporting outcome for everyone.

Thank you for the opportunity to provide our comments on the proposed revisions. Please feel free to contact Maria Christiaens at 406-896-2438 if you have any questions regarding our comments.

Respectfully,

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Eide Bailly LLP