As a third party administrator, I have to say that the current system is totally impractical in the small employer world. I still have many clients that do not use computers and that this would be beyond their capability. I have others who would not be willing to get a number that they would have to remember one time a year.

Be practical.

I would have been an early adopter if there were a couple of simple changes allowed. We prepare the Form 5500 package and send to the client. Provide a simple process for them to confirm that it is ok to file (ideally an e-mail back to us, or a fax, and if need be a signed form). Recognize that the signed form does not allow us to file the late people, because we do not know if they will get it back to us.

So, if you allowed us to use an e-mail, or faxed signature, we would be happy to file the package electronically— even though it is more work. But as long as you require small employers to get a special number that is only used once a year, we are not going to encourage our clients to change their filing method.