



DOWNEY & COMPANY, LLP

401(k) Plan Audit Annual Reporting Goes Electronic

The Department of Labor has mandated electronic filing for all plans required to file the Form 5500 for years beginning on or after January 1, 2009. Most plans will use third party software to file their 5500's and will use the EFAST2 system introduced by the Department of Labor to do so. As an alternative, plans not using third party software can use the IFILE system also introduced by the Department of Labor. Plans that require an audited financial statement from a CPA to be attached to their Form 5500 will have to attach the financial statement as a PDF file.

It is important that registration with the Department of Labor takes place for obtaining proper signing credentials. EFAST2 registration is done on the EFAST2 website located at <http://www.efast.dol.gov>. There is also a lot of information on this website regarding electronic filing requirements, including common questions. Most likely, the electronic filing process will be coordinated with the third party administrator that prepares the Form 5500. Downey & Company recommends early communication with your plan's third party administrator to clarify the registration procedure.

For additional information regarding this topic, please email Paul McGovern at pmcgovern@downeycocpa.com.