

BRIEFLY...

Highlights of Report Number 05-14-003-12-121, issued to the Assistant Secretary for Employee Benefits Security.

WHY READ THE REPORT

The goal of Title I of the Employee Retirement Income Security Act of 1974 (ERISA) is to protect the interests of participants and their beneficiaries in employee benefit plans. The Employee Benefits Security Administration (EBSA) is responsible for administering ERISA, including the Form 5500 reporting process. The Form 5500 Series is part of ERISA's overall reporting and disclosure framework, intended to ensure that employee benefit plans are operated and managed in accordance with certain prescribed standards and that participants and beneficiaries, as well as regulators, are provided or have access to sufficient information to protect the rights and benefits of participants and beneficiaries.

This report highlights changes EBSA needs to make to improve the 5500 reporting process to better protect plan participants and beneficiaries.

WHY OIG CONDUCTED THE AUDIT

In response to concerns about the effectiveness of the form 5500 reporting process, the OIG conducted a performance audit of EBSA's administration of the Form 5500 to determine if EBSA is effectively overseeing the process.

READ THE FULL REPORT

To view the report, including the scope, methodologies, and full agency response, go to:

<http://www.oig.dol.gov/public/reports/oa/2014/05-14-003-12-121.pdf>

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EBSA COULD IMPROVE ITS USAGE OF FORM 5500 DATA

WHAT OIG FOUND

The OIG found EBSA's compliance activities related to the Form 5500 generally ensured that plan administrators met ERISA reporting requirements. However, EBSA could improve its compliance activities by supplementing its current targeting strategies with analysis of changing violation patterns and could improve targeting of its investigative activities by increasing access to certain data elements in the Form 5500. We were unable to determine if EBSA effectively addressed all requests for changes, as the Form 5500 change process was not entirely transparent. Finally, system improvements could be made to search functions available for external users.

WHAT OIG RECOMMENDED

The OIG recommended the Assistant Secretary for Employee Benefits Security: (1) Include deficiency trends identified by 5500 data as a component of a multi-pronged approach to determining OCA's case mix, (2) Determine which Form 5500 data items are not currently searchable and add appropriate data fields to the Form 5500 to allow mining of this data, (3) Maintain a log or other form for tracking change proposals for the Form 5500, along with their ultimate disposition, (4) Improve EFAST 2's public search function by making searches more user-friendly and by building logic into the search algorithms.

In response, EBSA generally agreed to incorporate trend analyses into its targeting strategies, and to consider available options for addressing limitations in imaged submissions of financial documents, as part of the "21st Century Initiative." EBSA also agreed to consider steps to generate more standardized documentation of decisions on form change proposals. EBSA explained work is underway to improve Form 5500 search capabilities of the EFAST2 portal. Once EBSA completes internal testing, it will make enhancements available to the public.