Information about your Plan’s Participant Count for Form 5500, 5500-SF, Schedule R and Next Year Participant Life Count

The report is provided soon after your plan year end. The report is created to help in your review to ensure your Form 5500 reflects the correct participant counts. This information will also help you determine if you need a plan audit. The listing is prepared with information we have in our records. During your review if changes to participants are required (for example you have terminations to report) please report those through the secure employer website. For an updated count on the Form 5500 please access the compliance site and request a revised participant count by letting us know what participants you updated.

How do I know if I need a plan audit? Large plan filers need an audit. Use the number of participants listed in column 5 to determine whether your plan is a “small plan” or a “large plan”. The Form 5500 instructions state that a first time filer with less than 100 lives at the beginning of the plan year would be a “small plan” filer and those plans covering 100 or more would be a “large plan” filer.

Exception, 80-120 Participant Rule: If the number of participants in column 5 is between 80 and 120 and a Form 5500 was filed for the prior plan year, you may elect to file in the same category (large or small) as you filed in the prior year.

If I am a large plan filer what might I need to know? A large plan filer of the Form 5500 requires a limited scope audit to be performed on your retirement plan by an Independent Qualified Public Accountant. This would be someone chosen by you to review the plan and provide an accountant’s opinion which is included on Schedule H of the Form 5500.

What does the Principal Financial Group® provide to help me with my audit? With information provided to you, the Principal can prepare an audit package that will include required information we have on file that your auditor needs for the plan audit. You will receive a Principal Message Center®SM message once your audit package has been prepared that explains how to access the audit package information.

We will provide as part of that package
- Information for you to gain electronic access for your auditor to your audit package.
- Information to obtain phone assistance to help with questions that arise during your audit.
- Information that your auditor will need to perform the audit.

Why am I receiving an additional listing called next year participant life count? This listing is an estimate of your participant count for next year. The final filing size will be determined when the current participant’s life count listing for next year is calculated. This can be used to help determine your filing size for the next plan year. Unless you receive a message center message indicating differently your filing size is expected to remain the same.
Can you tell me what each column on the participant listing represents?
If you are filing a Form 5500, then your column labeling is the top line that is titled 5500 line information.

- Column 5 equals the total number of participants at the beginning of the plan year.
- Column 6a(1) equals the total number of active participants at the beginning of the plan year.
- Column 6a(2) equals the total number of active participants at the end of the plan year.
- Column 6B equals the total number of retired or separated participant receiving benefits at the end of the plan year.
- Column 6C equals the total number of other retired or separated participants entitled to future benefits at the end of the plan year.
- Column 6E equals the total number of deceased participants whose beneficiaries are receiving or are entitled to receive benefits at the end of the plan year.
- Column 6G equals the total number of participants with account balances as of the end of the plan year (defined benefit plan do not complete this item)
- Column 6H equals the number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.
- Schedule R (R3) this is the number of participants (living or deceased) whose benefits were distributed in a single sum during the plan year. For DB plans the calculated total of participants will display on line 3 of the Schedule R. For a DC plan this will not show anywhere as line 3 of the Schedule R is only for DB plans.

If you are filing a 5500 Short Form, your column labeling is the second line.

- Column 5A equals the total number of participants at the beginning of the plan year.
- Column 5B is the total number of participants at the end of the plan year (you will need to add the totals shown on the last page of the report for each 5B column to get the total reported on the Form 5500-SF)
- Column 5C equals the number of participants with account balances as of the end of the plan year. (defined benefit plans do not complete this item)
- Column 5d(1) equals the total number of active participants at the beginning of the plan year.
- Column 5d(2) equals the total number of active participants at the end of the plan year.
- Column 5e equals the number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.

Is there further definition of the participant information?
Yes, we provide the Department of Labor (DOL) Forms instructions on principal.com. You can find more information for each of these by looking at the “Instructions for Part I and Part II of Form 5500” or by looking under Line 5 instructions of the 5500-SF (short form).
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