

Elimination of Schedule P of Form 5500 Series

Announcement 2007-63

On July 21, 2006, the Department of Labor announced rules mandating electronic filings of the Form 5500, *Annual Return/Report of Employee Benefit Plan*, under Title I of the Employee Retirement Income Security Act of 1974 (ERISA), 71 **Fed. Reg.** 41359 (Jul. 21, 2006). To reduce administrative burdens of employers, plans, their administrators and trustees and custodians, and in anticipation of the transition to a wholly electronic filing environment under the ERISA Filing Acceptance System (EFAST), the Service has determined that the continued use of a Schedule P, *Annual Return of Fiduciary Benefit Trust*, in connection with the filing of a plan's Form 5500 is no longer necessary for the efficient administration of the Internal Revenue laws.

Pursuant to the authority contained in § 6033(a) of the Internal Revenue Code, the Schedule P, which may be completed by a trustee of an employee benefit trust as the annual return of that trust, is being eliminated. The elimination of Schedule P is effective for the 2005 and later plan years for Form 5500-EZ filers. For all other Form 5500 series filers, the elimination of Schedule P is effective for the 2006 and later plan years.

For plan years in which the Schedule P is eliminated, the Service will treat the plan's filing of a return from the applicable Form 5500 series as if the filing constitutes a return of the plan's employee benefit trust for purposes of § 6501(g)(2). Thus, the Service will not assess income taxes with respect to an employee benefit trust later than the limitations periods specified in section 6501 for the assessment of tax related to the Form 5500 filed by the plan to which the trust relates. Notwithstanding the preceding sentence, in any case in which the plan has been a party to an abusive tax avoidance transaction, as defined in section 4.13(2) of Rev. Proc. 2006-27, 2006-1 C.B. 945, or any successor thereto, the period during which the Service may assess income taxes with respect to the plan's employee benefit trust shall expire 6 years from the date the plan administrator or employer files a complete and accurate Form 5500 series (including all related schedules).