

Record Retention—The “Paper” Trail

As plan sponsors are well aware, the pension law (ERISA) includes specific reporting and disclosure obligations with respect to qualified retirement plans. A lesser known fact is that ERISA also has specific requirements regarding the retention of plan records. Below we answer questions you and other plan sponsors may have about retaining records and the importance of a record retention policy.

Why would we need a record retention policy? A retirement plan, by its very nature, generates a large amount of documentation. Some records should be retained indefinitely. Others may be disposed of in time. Having an established document retention system that allows plan records to be reviewed, updated, and preserved or disposed of in an organized fashion fosters good administration and helps the plan comply with pension law. Such a system can also make required documents readily accessible for IRS review, if requested.

Who is responsible for retaining plan records? Under ERISA, the plan administrator—which is often the plan sponsor—is ultimately responsible for maintaining the plan’s records.

What records do we need to keep? The list is long. First, you need to keep all records that support the information included in your plan’s Form 5500 filing and other reports and disclosures. These supporting documents essentially include whatever records a government auditor might need to verify the accuracy of the original report or disclosure. You also need to keep records used to determine eligibility for plan participation and any plan benefit to which employees and beneficiaries may be entitled. Records included:

- The original signed and dated plan document, plus all original signed and dated plan amendments
- Employee communications including Summary Plan Descriptions, Summaries of Material Modifications, and anything else describing the plan that you provide to plan participants
- The determination, advisory, or opinion letter for the plan
- All financial reports
- Copies of Form 5500
- Payroll records used to determine eligibility and contributions, including details supporting any exclusions from participants
- Evidence of the plan’s fidelity bond
- Documentation supporting the trust’s ownership of the plan’s assets
- Documents relating to plan loans, withdrawals, and distributions
- Nondiscrimination and coverage test results
- Employee personal information, such as name, Social Security number, date of birth, and marital/family status
- Employment history, including hire, termination, and rehire dates (as applicable) and termination details
- Officer and ownership history and familial relationships

- Election forms for deferral amount, investment direction, beneficiary designation, and distribution request
- Transactional history of contributions and distributions

How long do we need to keep the records? Generally, you should keep records used for IRS and DOL Filings for *at least* six years after the filing date. Retain records relevant to the determination of benefit entitlement indefinitely (basically, permanently).

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