

**From:** sanford.koeppel@prudential.com  
**Sent:** Wednesday, April 07, 2004 6:28 PM  
**To:** efast2@dol.gov  
**Subject:** Comments on Changes Under Consideration to Form 5500 Filing Requirements



EFAST Progam  
Office 5500 Comme..

Thank you for the opportunity to file comments regarding changes that the Department of Labor is considering for Form 5500 Filing Requirements. Prudential's comment letter is attached below for your consideration.

(See attached file: EFAST Progam Office 5500 Comment Letter.doc)



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April 7, 2004

EFAST Program Office  
Employee Benefits Security Division, Room N-5459  
U.S. Department Of Labor  
200 Constitution Avenue NW  
Washington, D.C. 20210  
Attn: EFAST RFC

Ladies and Gentlemen:

These comments are submitted on behalf of Prudential Retirement, a business of Prudential Financial, Inc. ("Prudential"). Prudential commends the Department for pursuing efficient solutions to filing Form 5500. Although these comments are being submitted two days beyond the comment deadline, we respectfully request that the Department consider our comments in light of the significant activity associated with the closing of our acquisition of CIGNA's retirement business that we were engaged in throughout the comment period. The new Prudential Retirement, combines two leading retirement services providers for 3.3 million participants and retirees and increases Prudential Retirement's assets to \$120 billion and its defined contribution recordkeeping assets to \$59 billion, based on account values as of December 31, 2003. The acquisition also creates a Top 10 provider in the defined contribution market (*PlanSponsor*, June 2003).

**Comments:**

**Section C. Changes Under Consideration**

**2. Simplification of the Electronic Signature and Authentication Procedure.**

Second paragraph, #(4) - We suggest that this approach for electronic signature and authentication should also apply to plan trustees when completing/signing Schedule P.

**3. Mandatory Electronic Filing.**

We suggest that: (1) the mandatory filing initially should apply only to certain filers who are more capable of meeting these requirements, i.e., publicly traded companies; (2) mandatory filing requirement, if implemented at all, should be phased in over the course of several years; and (3) that filing relief should be offered to those plan administrators who are unable to comply.

**4. Charging of Filing Fees.**

We respectfully disagree with this approach. Most filers already incur costs with regard the preparation of Form5500 and would view an additional cost to file these forms as a burdensome increase in the cost of maintaining a plan. We suggest that consideration be given to charging only those plan administrators who refuse to convert to electronic filing by a stated date.

**5. Use of Internet Filing Data Standards such as XML.**

Prudential believes that this appears to be a sound approach. However, we are uncertain about what IT requirements are needed to utilize this data exchange technology and what potential issues this may present to filers.

**6. Improved Handling of Third-Party Attachments and Attestations.**

We prefer the proposed third alternative because of the ability to preserve the integrity of the auditor's report. Also it does not require the plan administrator to "sign" the report on behalf of the auditor. We are not sure what IT requirements are needed to scan the auditor reports into a portable electronic document, and what potential issues this may present to filers. Also, no mention was made regarding handling of Schedule P. Would the same alternatives apply as for other third-party attachments?

**7. Improved Consistency of Treatment for Paper and Electronic Filings.**

Although we can certainly appreciate that extra time is required to process paper filings, mandating an April 30 due date for paper filers (for Dec. 31 plan years) is too burdensome for plan administrators. Often, plan administrators do not receive required information from 3rd parties (e.g., insurance companies, financial institutions, trust companies, etc.) until several months after the end of the plan year, making an April 30th filing date too challenging and, in some cases, not feasible to meet.

**9. Require Each Plan Filing Form 5500 Series to Obtain a Unique EIN.**

We agree with this suggestion but we would like to point out a possible negative – the proposal could require recordkeeping system upgrades to accommodate EINs with more than three digits.

**10. Separation of Certain Information from the Form 5500 Series Package.**

We question whether this proposal is for EZ filings only. Requiring filers to submit to multiple agencies is a burdensome request. Further we are concerned as to whether this information could be shared among the appropriate Agencies so that specific non-public information (e.g. Schedule SSA) would be available to each other while still maintaining security of the data that is transmitted.

Thank you for the opportunity to comment on these issues. Please contact me if you have any questions or if we can provide additional assistance.

Sincerely,

Sanford E. Koepfel