

IRS NOTICE 2002-24 suspends ALL cafeteria plan filings for purposes of 6039D of the Code.

CAUTION: Filings required under ERISA remain in full force.

On 4/4/02 the IRS suspended the requirement to file Form 5500, Schedule F effective immediately. For a copy of the news release go to <http://www.irs.gov/pub/irs-news/ir-02-43.pdf>. For a copy of Section 6039D Reporting Requirements go to <http://www/ebia.com/misc/Notice2002-24.pdf>.

Basically what this means, is small plans (those plans exempt from ERISA filing requirements) are no longer required to file Form 5500 or a Schedule F for their cafeteria plans, educational assistance plans and adoption assistance programs. The relief applies to current and future years and also to all prior years for which information returns have not been filed!

THIS NOTICE DOES NOT CHANGE ANY ERISA FILING REQUIREMENTS EXCEPT FOR FILING SCHEDULE Fs.

ERISA requires 5500s to be filed for 125 plans containing Health FSAs with more than 100 participants. (No Schedule F is required). Dependent Care Assistance Plans are not subject to ERISA unless you are maintaining a day care center for the employees. In this case it is considered a welfare benefit plan and 5500s (without Schedules Fs) will need to be filed. For those employers subject to the ERISA filing requirement, please contact the individual responsible for filing your welfare plan 5500 return and let them know they will need to incorporate the Health FSA (if applicable). Benefit Extras, Inc. will no longer be preparing 5500 returns.

IRS Notice 2002-24 is available on the IRS Web at www.irs.gov. The announcement will be published in the Internal Revenue Bulletin 2002-16 dated April 22, 2002.

This is provided with the understanding the Benefit Extras, Inc. is not engaged in rendering legal, accounting, investment or other professional advice. If such assistance is required, consult a professional.