
2014 Instructions for Schedule G (Form 5500) Financial Transaction Schedules

General Instructions

Who Must File

Schedule G (Form 5500) must be attached to a Form 5500 filed for a large plan, MTIA, 103-12 IE, or GIA to report loans or fixed income obligations in default or determined to be uncollectible as of the end of the plan year, leases in default or classified as uncollectible, and nonexempt transactions.

Check the Schedule G box on the Form 5500 (Part II, line 10b(6)) if a Schedule G is attached to the Form 5500. Complete as many entries as necessary to report the required information.

The Schedule G consists of three parts. Part I of the Schedule G reports any loans or fixed income obligations in default or determined to be uncollectible as of the end of the plan year. Part II of the Schedule G reports any leases in default or classified as uncollectible. Part III of the Schedule G reports nonexempt transactions.

Specific Instructions

Lines A, B, C, and D. This information must be the same as reported in Part II of the Form 5500 to which this Schedule G is attached.

Do not use a social security number in Line D in lieu of an EIN. The Schedule G and its attachments are open to public inspection, and the contents are public information and are subject to publication on the internet. Because of privacy concerns, the inclusion of a social security number or any portion thereof on this Schedule G or any of its attachments may result in the rejection of the filing.

You can apply for an EIN from the IRS online, by telephone, by fax, or by mail depending on how soon you need to use the EIN. For more information, see *Section 3: Electronic Filing Requirement* under *General Instructions to Form 5500*. The EBSA does not issue EINs.

Part I – Loans or Fixed Income Obligations in Default or Classified as Uncollectible

List all loans or fixed income obligations in default or determined to be uncollectible as of the end of the plan year or the fiscal year of the GIA, MTIA, or 103-12 IE. Include:

- Obligations where the required payments have not been made by the due date;
- Fixed income obligations that have matured, but have not been paid, for which it has been determined that payment will not be made; and
- Loans that were in default even if renegotiated later during the year.

Note. Identify in element (a) each obligor known to be a party-in-interest to the plan.

Provide, on a separate attachment, an explanation of what steps have been taken or will be taken to collect overdue amounts for each loan listed and label the attachment **“Schedule G, Part I – Overdue Loan Explanation.”**

The due date, payment amount, and conditions for determining default in the case of a note or loan are usually contained in the documents establishing the note or loan. A loan is in default when the borrower is unable to pay the

obligation upon maturity. Obligations that require periodic repayment can default at any time. Generally loans and fixed income obligations are considered uncollectible when payment has not been made and there is little probability that payment will be made. A fixed income obligation has a fixed maturity date at a specified interest rate.

Do not report in Part I participant loans under an individual account plan with investment experience segregated for each account, that are made in accordance with 29 CFR 2550.408b-1, and that are secured solely by a portion of the participant's vested accrued benefit. Report all other participant loans in default or classified as uncollectible on Part I, and list each such loan individually.

Part II – Leases in Default or Classified as Uncollectible

List any leases in default or classified as uncollectible. A lease is an agreement conveying the right to use property, plant, or equipment for a stated period. A lease is in default when the required payment(s) has not been made. An uncollectible lease is one where the required payments have not been made and for which there is little probability that payment will be made. Provide, on a separate attachment, an explanation of what steps have been taken or will be taken to collect overdue amounts for each lease listed and label the attachment **“Schedule G, Part II – Overdue Lease Explanation.”**

Part III – Nonexempt Transactions

All nonexempt party-in-interest transactions must be reported, regardless of whether disclosed in the accountant's report, unless the nonexempt transaction is:

1. Statutorily exempt under Part 4 of Title I of ERISA;
2. Administratively exempt under ERISA section 408(a);
3. Exempt under Code sections 4975(c) or 4975(d);
4. The holding of participant contributions in the employer's general assets for a welfare plan that meets the conditions of ERISA Technical Release 92-01;
5. A transaction of a 103-12 IE with parties other than the plan; or
6. A delinquent participant contribution or a delinquent participant loan repayment reported on Schedule H, line 4a.

Nonexempt transactions with a party-in-interest include any direct or indirect:

- A. Sale or exchange, or lease, of any property between the plan and a party-in-interest.
- B. Lending of money or other extension of credit between the plan and a party-in-interest.
- C. Furnishing of goods, services, or facilities between the plan and a party-in-interest.
- D. Transfer to, or use by or for the benefit of, a party-in-interest, of any income or assets of the plan.
- E. Acquisition, on behalf of the plan, of any employer security or employer real property in violation of ERISA section 407(a).
- F. Dealing with the assets of the plan for a fiduciary's own interest or own account
- G. Acting in a fiduciary's individual or any other capacity in any transaction involving the plan on behalf of a party (or represent a party) whose interests are adverse to the interests of the plan or the interests of its participants or beneficiaries.
- H. A receipt of any consideration for his or her own personal account by a party-in-interest who is a fiduciary from any party dealing with the plan in connection with a transaction involving the income or assets of the plan.

For purposes of this form, party-in-interest is deemed to include a disqualified person. See Code section 4975(e)(2). The term “party-in-interest” means, as to an employee benefit plan:

- A.** Any fiduciary (including, but not limited to, any administrator, officer, trustee or custodian), counsel, or employee of the plan;
- B.** A person providing services to the plan;
- C.** An employer, any of whose employees are covered by the plan;
- D.** An employee organization, any of whose members are covered by the plan;
- E.** An owner, direct or indirect, of 50% or more of: **(1)** the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of a corporation, **(2)** the capital interest or the profits interest of a partnership, or **(3)** the beneficial interest of a trust or unincorporated enterprise that is an employer or an employee organization described in C or D;
- F.** A relative of any individual described in A, B, C, or E;
- G.** A corporation, partnership, or trust or estate of which (or in which) 50% or more of: **(1)** the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of such corporation, **(2)** the capital interest or profits interest of such partnership, or **(3)** the beneficial interest of such trust or estate is owned directly or indirectly, or held by, persons described in A, B, C, D, or E;
- H.** An employee, officer, director (or individual having powers or responsibilities similar to those of officers or directors), or a 10% or more shareholder, directly or indirectly, of a person described in B, C, D, E, or G, or of the employee benefit plan; or
- I.** A 10% or more (directly or indirectly in capital or profits) partner or joint venture of a person described in B, C, D, E, or G.



An unfunded, fully insured, or combination unfunded/insured welfare plan with 100 or more participants exempt under 29 CFR 2520.104-44

from completing Schedule H must still complete Schedule G, Part III, to report nonexempt transactions.

A plan that is required to file a Form M-1, Report for Multiple-Employer Welfare Arrangements (MEWAs) and Certain Entities Claiming Exception (ECEs), but that is not required to file the Schedule I because it has fewer than 100 participants and meets the requirements of 29 CFR 2520.104-44, also must complete Schedule G, Part III, to report nonexempt transactions.

If you are unsure whether a transaction is exempt or not, you should consult with either the plan’s independent qualified public accountant or legal counsel or both.

You may indicate that an application for an administrative exemption is pending.

If the plan is a qualified pension plan and a nonexempt prohibited transaction occurred with respect to a disqualified person, an IRS **Form 5330**, Return of Excise Taxes Related to Employee Benefit Plans, is required to be filed with the IRS to pay the excise tax on the transaction.



The DOL Voluntary Fiduciary Correction Program (VFCP) describes how to apply, the specific transactions covered (which transactions include delinquent participation contributions to pension and welfare plans), and acceptable methods for correcting violations. In addition, applicants that satisfy both the VFCP requirements and the conditions of Prohibited Transaction Exemption (PTE) 2002-51 are eligible for immediate relief from payment of certain prohibited excise taxes for certain corrected transactions, and are also relieved from the obligation to file the Form 5330 with the IRS. For more information, see 71 Fed. Reg. 20261 (Apr. 19, 2006) and 71 Fed. Reg. 20135 (Apr. 19, 2006). If conditions of PTE 2002-51 are satisfied, corrected transactions should be treated as exempt under Code section 4975(c) for the purposes of answering Schedule G, Part III. Information about the VFCP is also available on the internet at www.dol.gov/ebsa.