



**Vanguard®**

# General guidelines for completing IRS Form 5500

Tax year 2018



# Filing instructions

We're pleased to provide these guidelines as a supplement to the annual financial reports provided by Vanguard and the IRS Instructions for Form 5500. Go to [irs.gov](http://irs.gov) or [dol.gov](http://dol.gov) and search for "5500" to get up-to-date instructions.

If you have questions about your annual reporting requirements, call us at 800-205-6167. For information beyond the scope of this booklet, consult a tax professional.

## Who must file

### Multiple-participant plans

All multiple-participant 403(b), 401(k), pension, and profit-sharing plans subject to Title I of ERISA must file an annual report (Form 5500) with the Employee Benefits Security Administration, an agency of the Department of Labor (DOL).

Plans that were terminated in 2018 must file Form 5500-SF (generally plans with fewer than 100 participants) or Form 5500-EZ (certain one-participant plans) seven months after the last dollar is distributed from the plan, unless you file for an extension. See "When to file" on page 2 for more information.

### One-participant plans

You don't have to file an annual report if you have one or more one-participant plans that, in total, held assets of \$250,000 or less as of the close of the plan year beginning on or after January 1, 2018 (December 31, 2018, if your plan operates on a calendar-year basis), and the plan meets the conditions described on page 2.

**If you previously filed Form 5500 because your plan assets exceeded \$100,000, you're no longer required to file as long as those assets are \$250,000 or less on the last day of the 2018 plan year.** (In some cases, a plan may have multiple participants and still be considered a one-participant plan. For more information, see "What form to file" on page 2.)

However, when a one-participant plan is terminated, the administrator or sponsor must file an annual report for the final plan year even if the total assets have always been \$250,000 or less.

If you were required to file Form 5500 but failed to do so in prior years, your plan may be eligible for penalty relief. Go to [irs.gov](http://irs.gov) and search for "penalty relief" to get more information about the IRS penalty relief program.

## Filing requirements

Form . . .	Who should file . . .
Form 5500-EZ	One-participant plans that meet specific conditions. (See “One-participant plans” below.) This is a paper filing.
Form 5500-SF	Small plans that meet certain conditions. (See IRS Instructions for Form 5500-SF.) May also be used for one-participant plans in place of Form 5500-EZ. Must be filed electronically with the EFAST2 processing system.

### What form to file

#### One-participant plans

You may be able to file either Form 5500-EZ on paper with the IRS or 5500-SF through the EFAST2 electronic processing system. If you’re required to file at least 250 returns of any type with the IRS, you must file Form 5500-SF instead. Information filed on Form 5500-EZ and Form 5500-SF is required to be made available to the public. However, the information for a one-participant plan, whether electronically filed with EFAST2 using a Form 5500-SF or filed on paper using a Form 5500-EZ, won’t be published on the internet.

For filing purposes, a one-participant plan is a retirement plan that meets one of the following two requirements:

- It covers only an individual (or an individual and his or her spouse) who wholly owns a trade or business, whether incorporated or unincorporated.
- It covers only partners (or partners and their spouses) in a business partnership.

In addition to meeting one of the preceding requirements, a one-participant plan doesn’t provide benefits for anyone other than an owner and his or her spouse or one or more partners and their spouses.

### When to file

In general, as the administrator or sponsor of an employee benefit plan, you must file the appropriate Form 5500 for a plan year by the last day of the seventh month

following the end of the plan year. For example, if your plan year is the calendar year, you must file by the following July 31.

**Requests for extension.** You’ll receive a onetime extension of up to 2½ months if you file IRS Form 5558, Application for Extension of Time To File Certain Employee Plan Returns, with the IRS before the normal due date (not including any extensions) of the return/report. You must keep a copy of the extension request in your records.

**Automatic extensions.** Plans automatically receive an extension for filing the appropriate Form 5500—up to the extension date for filing the employer’s federal income tax return—if *all* of the following conditions are satisfied:

- The plan year and the employer’s tax year are the same.
- The employer has been granted an extension to file its federal income tax return and that date is *later* than the normal due date for filing its Form 5500.
- You maintain a copy of the application for extension of time to file your federal income tax return with your records.

### How to get assistance

If you need help completing Form 5500-SF, visit [efast.dol.gov](http://efast.dol.gov) or call the EFAST2 Help Desk at 866-463-3278.

If you need help completing Form 5500-EZ, call the IRS Help Line at 877-829-5500. You can order Form 5500-EZ and other related forms and publications by visiting [irs.gov](http://irs.gov) or calling 800-829-3676.

# Vanguard financial reports

Vanguard keeps full and accurate records of all investments, disbursements, and other transactions with respect to participant accounts in Vanguard Individual 401(k) plans.

## Report date ranges and trade dates

Purchases and sales of investments are recorded on a trade-date basis. The trade date is the date that a purchase or sale is deemed to have occurred. Participant deferrals and employer contributions received on a trade date during the current reporting period that relate to payroll dates from the previous reporting period, as indicated with the remittance, will be identified as “prior tax year” on the **Statement of Changes in Net Assets Available for Benefits** and the **Transaction Summaries by Participant**. These reports only include transactions that were recorded on a trade date in the current reporting period, as indicated on the top of each report. Confirmation of the total contributions receivable should be obtained through examination of company payroll records.

**1. Statement of Net Assets Available for Benefits.** This statement is a balance sheet reporting the year-end market value for each investment option (mutual fund) in your retirement plan held at Vanguard. The plan’s investments are stated at fair value. Shares of registered investment companies (mutual funds) are valued at quoted market prices, which represent the net asset value of shares held by the plan at plan year-end.

**2. Statement of Changes in Net Assets Available for Benefits.** This statement is a summary of the additions and deductions to plan assets during the reporting period.

**Additions.** Additions include investment income, contributions, and other receipts such as inbound asset transfers (including contract exchanges or plan-to-plan transfers) and rollovers. Other miscellaneous additions might include lost earnings credited to participant accounts due to late contributions.

**Deductions.** Deductions include benefits paid and account service fees.\* Payment of benefits categorized as normal distributions are those taken due to eligible reasons as permitted under the plan. Other deductions include hardship withdrawals, outbound asset transfers (including contract exchanges or plan-to-plan transfers) and rollovers, and corrective distributions. Miscellaneous deductions might include trailing dividends out of the plan or adjustments due to corrective processing.

Benefit obligations represent amounts allocated to be distributed to participants that have been processed and approved for payment prior to the plan year-end but haven’t been paid by that date. These amounts should be recorded as a liability on Form 5500. Vanguard’s recordkeeping standards require that distributions for participants be processed overnight and mailed the following day. Since these checks are issued and mailed on the same day, no benefits payable are presumed to exist at Vanguard.

\*For 401(k) accounts: We charge participants a \$20 annual account service fee for each mutual fund they hold in their Vanguard Individual 401(k) account. We’ll withdraw the fee directly from the fund accounts each year. The fee will be waived for all participants in the plan if at least one participant qualifies for Flagship Select, Flagship, Voyager Select, or Voyager Services. (If you have an Individual 401(k) account, you must have an additional Vanguard relationship to qualify for these services.)

**Prior-period adjustments.** Adjustments made in the current reporting period attributable to the prior reporting period may cause a difference between the closing balance on the last day of the prior reporting period and the opening balance on the first day of the current reporting period. Information regarding prior-period adjustments should be obtained through examination of the plan's records.

**Purchase/Redemption fees.** Some Vanguard mutual funds assess purchase or redemption fees. These transaction fees are deducted separately from participants' accounts and aren't netted into the purchase or sale amount.

**Net appreciation.** This figure represents the combination of the net realized gain/(loss) and the net unrealized gain/(loss) on assets held at Vanguard during the plan year.

**3. Transaction Summaries by Participant.**

Vanguard uses a daily valuation system for valuing participant investments. The value of participant assets is calculated daily using the net asset value (NAV) for each investment option.

## Supplementary instructions for form completion

Next, carefully review the IRS instructions for Form 5500-EZ or Form 5500-SF. The information below is intended to supplement the IRS instructions.

Section in Part II	Instructions	Applies to . . .	
		5500-EZ	5500-SF
1a	<p><b>Name of plan</b></p> <p>Provide the formal name of your plan or include sufficient information to identify it. For example, if your business maintains a profit-sharing plan, its name may be listed as “[Name of Business] Profit-Sharing Plan.”</p>	•	•
1b	<p><b>Three-digit plan number</b></p> <p>This is a number you assign to each of your employee pension benefit plans. Plans should be numbered consecutively, starting with 001. If your Vanguard plan is the only employee pension benefit plan you’ve maintained, its number should be 001.</p> <p>Once you assign a number to a plan, you must use that same number for all future filings. Don’t use this number for any other plan, even if the original plan is terminated.</p>	•	•
1c	<p><b>Date plan first became effective</b></p> <p>This is generally the date on which the provisions of your plan, as originally adopted, became effective—not the date you may have amended or restated your plan.</p>	•	•
2a	<p><b>Plan sponsor’s name and address</b></p> <p>The plan sponsor is generally the employer that has adopted your retirement plan. (For purposes of this section, Vanguard isn’t the plan sponsor.)</p>	•	•
2b	<p><b>Employer identification number (EIN)</b></p> <p>Enter the nine-digit EIN assigned to you as an employer by the IRS. <b>Don’t</b> enter your Social Security number. If you don’t have an EIN, you must apply for one. You can do so online or by phone, fax, or mail. Instructions are available at <a href="http://irs.gov">irs.gov</a>.</p>	•	•

Section in Part II	Instructions	Applies to . . .	
		5500-EZ	5500-SF
3a, b, c	<p><b>Plan administrator's name and address</b></p> <p>The administrator for your plan is the individual or committee designated by your plan. If no such designation has been made, the employer is considered the plan administrator. (Vanguard is never the plan administrator.)</p> <p>If the employer is the plan administrator, enter or check "Same" in Box 3a, and leave b and c blank. Otherwise, enter the EIN in Box 3b for the individual or committee that serves as plan administrator and enter the phone number in c. To secure an EIN, complete IRS Form SS-4. Don't supply a Social Security number.</p>	•	•

Section in Part III	Instructions	Applies to . . .	
		5500-EZ	5500-SF
7a	<b>Total plan assets</b>	•	•
7b	<b>Total plan liabilities</b>	•	•
7c	<b>Net plan assets (subtract 7b from 7a)</b>	•	•
8a (5500-EZ)	<b>Employer cash contributions</b>	•	•
8a(1) (5500-SF)	Include all employer contributions made for the plan year, even those made after its close. Don't include transfers or rollovers received from other plans.		
8b (5500-EZ)	<b>Participant cash contributions</b>	•	•
8a(2) (5500-SF)	Include all participant contributions made for the plan year. Don't include transfers or rollovers received from other plans.		
8c (5500-EZ)	<b>Amounts received by plan other than from contributions</b>	•	•
8a(3) (5500-SF)	Include rollovers and transfers into the plan.		

Section in Part IV (5500-EZ/ 5500-SF)	Instructions	Applies to . . .	
		5500-EZ	5500-SF
9 (5500-EZ), 9a (5500-SF)	<p><b>Plan characteristics.</b> <i>Enter all applicable plan characteristics codes.</i></p> <p>For Individual 401(k) plans, enter codes 2E, 3D, and 2J.</p> <p>Refer to page 8 of the IRS Instructions for Form 5500-EZ to view a complete list of plan characteristics codes that may be appropriate.</p>	•	•

# Supplemental information for auditors about Vanguard and Vanguard Fiduciary Trust Company

## Vanguard

Vanguard is an investment management company offering a wide array of mutual funds and other financial products and services to individual and institutional investors in the United States and abroad. Company headquarters are near historic Valley Forge, Pennsylvania.

Since it began serving investors in 1975, Vanguard has become one of the world's largest no-load mutual fund companies. In addition to mutual funds, Vanguard offers variable annuities, as well as financial planning, asset management, brokerage, and trust services.

Our website, [vanguard.com](http://vanguard.com), provides substantial information about our policies, services, and mutual funds. You can find the following information about each of our mutual funds:

- **Overview:** average annual returns, fund facts, and characteristics.
- **Price & Performance:** current and historical prices, returns (including current-year performance, average annual returns, and quarterly returns), and after-tax returns.
- **Portfolio & Management:** historical volatility measures, fund characteristics (e.g., sector weighting, ten largest holdings), investment strategies, and fund manager biographies.
- **Fees & Minimums:** expenses, minimum investments, and fund fees.
- **Distributions:** dividend and capital gains distribution details.

## Vanguard Fiduciary Trust Company

Vanguard Fiduciary Trust Company (VFTC), a trust company incorporated under Chapter 10 of the Pennsylvania Banking Code, is a wholly owned subsidiary of Vanguard. Quarterly financial statements are prepared for VFTC and submitted to the Pennsylvania Department of Banking and Securities, which performs examinations of VFTC on a biennial basis. VFTC provides fiduciary and administrative services to individual and corporate retirement plans, as well as to other institutional plans.

The EIN for VFTC is 23-2640992. This number should be used for reporting purposes when VFTC is the custodian or trustee.





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