

5500 Requirements for Reimbursement Accounts

There is currently no annual filing requirement for Section 125 Plans. However, the underlying benefits may be required to file a Form 5500 if they are considered a Health & Welfare Plan. Group Health Insurance Coverage and Health FSAs are two examples of underlying benefits that may be required to file an Annual Form 5500.

There is an exemption for filing an Annual Form 5500. If your Plan has fewer than 100 participants at the beginning of the Plan Year and your Health Reimbursement is “unfunded,” the Plan is exempt from filing a Form 5500. Your Health Reimbursement is “unfunded” if the benefits are paid from the general assets of the company and not from a trust account separated for the specific purpose of paying out benefits.

If your Health Reimbursement Plan has 100 or more participants at the beginning of the Plan Year, a Form 5500 must be filed by the end of the 7th month following the Plan Year End (unless an extension is filed).
