



What is the Form 8955-SSA and What Does it Do?

Facts

Our company has been very fortunate to have low turnover over the years. Those that have left either were not eligible for our 401(k) plan, or they had very small balances and had their accounts forced out when they terminated. We recently did have one longer-term employee leave us. She was an active participant in our plan and has a sizeable balance that is well above our plan's [mandatory distribution threshold](#). Our TPA said that we now have to file some new form – an 8955-SSA, I think – that has something to do with this former employee.

Question

What is the Form 8955-SSA and what is its purpose?

Answer

To help put this particular form in context, the “SSA” stands for Social Security Administration, and the purpose of the form is to reunite retiring participants with old retirement account balances they may have forgotten about.

Plans use the form to report former participants who still have balances in the plan, but there is a bit of a lag time between a participant's termination date and when they must be reported. The best way to explain it is with a quick example. Assume that your plan operates on a calendar year and that Joan Participant terminates employment during 2017. If Joan still has a vested balance in your plan as of the end of 2018 (the year after the year she terminates), then she must be reported on Form 8955-SSA for the 2018 plan year. The deadline for filing the form is the same as that for the Form 5500 – July 31, 2019 or October 15, 2019 if on extension.

All of the participants that are reported go into the SSA's database. When an individual files a claim for social security benefits, the SSA checks that database and notifies the individual that they might still be due a benefit from the plan.

Which brings us to an important point. When a participant who has previously been reported takes a distribution, the instructions to the form indicate that it is optional to report that participant again to reflect that he or she is no longer entitled to any further benefits. The first reaction might be to skip that step if it's optional. However, if you do not “un-report” participants, you may face a difficult challenge if they later receive a letter from the Social Security Administration telling them they are entitled to a benefit from your plan. For that reason, we always recommend reporting participants again once they've been paid out.

There are plenty of forms that can apply to retirement plans. Don't hesitate to [call or email us](#) if you have questions about any of them.



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