



555 12th Street NW, Suite 1001
Washington, D.C. 20004

1-800-552-5342
NFIB.com

February 18, 2026

The Honorable Glenn Grothman
United States House of Representatives
1211 Longworth House Office Building
Washington, D.C. 20515

Dear Representative Grothman,

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of H.R. 7362 the *Form 5500 Filing Simplification Act*. This legislation would streamline and simplify Form 5500 reporting requirements for small businesses who offer retirement benefits.

Currently, small businesses who offer retirement benefits are annually required to file a Form 5500 with the Department of Labor (DOL) and Internal Revenue Service (IRS). Form 5500 contains information on the plan's financial condition and employee benefits, including retirement plans and welfare benefits. For small businesses that do not have dedicated compliance officers, Form 5500 is a complex and confusing report. In fact, the Form 5500 version varies by company size and carries significant penalties for late filing or non-compliance.

Form 5500 must be submitted seven months into the plan year. If necessary, a small business can file a Form 5558 to extend this deadline by two and half months. Most small businesses opt to file the Form 5558 to extend the deadline and avoid the significant penalties for late filing or non-compliance. These penalties include a \$250 fine per day up to \$150,000 from the IRS for each delinquent report and an up to \$2,739 fine per day from the Department of Labor. These penalties would be enough to force the sale or closure of many small businesses, all for a simple paperwork mistake.

The *Form 5500 Filing Simplification Act* would simplify this process by delaying the Form 5500 filing deadline, thereby eliminating the need for the separate Form 5558 extension process. This simple, common-sense fix would reduce paperwork burdens for small businesses that offer retirement benefits and reduce the likelihood that a small business will face the significant fines resulting from late filing.

NFIB supports the *Form 5500 Filing Simplification Act* and urges Congress to promptly enact this legislation. Small businesses appreciate your leadership to reduce compliance burdens and red tape.

Sincerely,

A handwritten signature in black ink, appearing to read "Dylan Rosnick", written in a cursive style.

Dylan Rosnick
Principal, Federal Government Relations
NFIB