

Internal Revenue Service
2637 N Washington Blvd #164
North Ogden, UT 84414

Department of the Treasury

Taxpayer Identification Number:

Plan Name:

Plan Number:

Form:

5500

Plan Year Ending:

Person to Contact/ID Number:

Contact Telephone Number:

Fax Number:

E-mail Address:

Dear Taxpayer:

This letter constitutes a compliance check. A compliance check is not an audit or investigation under Internal Revenue Code (IRC) Section 7605(b) or an audit under Section 530 of the Revenue Act of 1978. This letter is being sent to you because our records indicate you have either an unpaid minimum required contribution or funding deficiency, as reported on the return referenced above.

Please provide the information requested in the attached Form 886-A, *Explanation of Items*, within 20 days of the date of this letter. Failure to provide the information regarding the unpaid minimum required contribution or funding deficiency could result in further action or an examination of your plan. You may also furnish any other documents or clarifying materials that you believe will be helpful for us to review.

If you would like someone to represent the plan during the compliance check, you must submit a written power of attorney. Form 2848, *Power of Attorney and Declaration of Representative*, may be used for this purpose. This form may be obtained at www.irs.gov.

You may fax your response to the above referenced fax number or mail it to the address shown above. Include a daytime telephone number where you can be reached and the best time to contact you. You may obtain more information about the Employee Plans Compliance Unit (EPCU), compliance checks, our current compliance projects, and a list of frequently asked questions by visiting our website at www.irs.gov/ep. If you have questions, please contact me at the telephone number shown above during the times referenced.

Thank you for your cooperation.

Sincerely,

Enclosure:

Form 886-A, *Explanation of Items*

Form 886-A (Rev. January 1994)	Explanations of Items		Schedule number or exhibit
Name of taxpayer	Tax Identification Number / Plan Number		Year/Period ended

Funding Deficiency Questionnaire

Our records show an unpaid minimum required contribution or funding deficiency reported on the return referenced above in the amount of \$. This unpaid minimum required contribution or funding deficiency has a potential excise tax liability under IRC Section 4971(a) in the amount of \$.

The funding deficiency amount was reported on either Form 5500, *Annual Return/Report of Employer Benefit Plan*, Form 5500-SF *Short Form Annual Return/Report of Small Employee Benefit Plan*, or Form 5500-EZ *Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan*; on the attached Schedule B line 9(p), Schedule SB line 40, or Schedule MB line 9(n).

Please have someone knowledgeable about your above referenced plan, provide the following information:

1. Why Form 5330, *Return of Excise Taxes Related to Employee Benefit Plans*, was not filed for the years(s) referenced. Form 5330 is used to report excise tax on plans with unpaid minimum required contributions or funding deficiencies. Under IRC sections 412, 430, and 431, a plan does not satisfy the minimum funding standard if the contribution is not made to the plan within 8 ½ months after the end of the plan year.

If the contribution was timely made, provide detailed information. If the contribution was not timely made, a Form 5330, *Return of Excise Taxes Related to Employee Benefit Plans*, is required to report excise tax under IRC 4971(a). This excise tax is equal to 10% (5% for multi-employer plans) of the aggregate unpaid minimum required contribution or funding deficiency amount for the plan year. This tax is assessed without regard to mitigating circumstances and cannot be waived. If you were required to file Form 5330, *Return of Excise Taxes Related to Employee Benefit Plans*, and did not do so, please send the Form 5330 along with the payment of excise tax to the address shown at the top of the attached correspondence.

2. How and when the unpaid minimum required contribution or funding deficiency was corrected. If the contribution necessary to correct this has been made or was corrected by other measures provide the supporting details. If you wish, either a copy of the subsequent year's return, copy of a cancelled check, wire transfer, or trust account statement can be submitted.
3. If the unpaid minimum required contribution or funding deficiency in the amount of \$, was not corrected, please provide an explanation and outline actions taken to eliminate the unpaid minimum required contribution or funding deficiency.

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Name of taxpayer	Tax Identification Number / Plan Number	Year/Period ended	

4. Have you filed a funding waiver request for this plan with the IRS?

Yes ☐ No ☐

If so, when was the request submitted and what is the current status of the waiver?

5. Have you filed a distress or standard termination request for this plan with the PBGC?

Yes ☐ No ☐

If so, when was the request submitted, indicate if distressed or standard, and what is the current status of the request? Please provide the name of your contact person and case number if assigned.

6. Have you filed a petition for bankruptcy with the bankruptcy court?

Yes ☐ No ☐

If so, when was the petition filed, to which court and under which chapter. What is the Bar Date and current status of the filing?

7. If you have re-calculated your funding requirement using options available under Notice 2010-55 or Notice 2010-56 as provided by the Pension Relief Act of 2010, please provide us with the revised calculations, including the modified calculation of the funding deficiency amount.