

Internal Revenue Service

Department of the Treasury

Date:

Taxpayer Identification Number:

Plan Name:

Plan Number:

Form:
5500-EZ
Plan Year Ending:

Person to Contact/ID Number:

Contact Telephone Number:

Fax Number:

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

Our records show you reported an amount on line 11a of the Form 5500EZ *Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan* referenced above in the amount of \$. This amount is from Schedule SB, *Single-Employer Defined Benefit Plan Actuarial Information* line 39, reporting the unpaid minimum required contribution for the plan year ending referenced above.

Under IRC sections 412, 430, and 431, a plan does not satisfy the minimum funding standard if the required contribution is not made to the plan within 8 ½ months after the end of the plan year.

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

1. The amount shown on related Schedule SB for the plan year referenced above, *Single-Employer Defined Benefit Plan Actuarial Information* line 39, reports the amount of the unpaid minimum required contribution for the plan year. Line 40 of this schedule reports the amount of unpaid minimum required contributions for all years. What is the amount shown on your Schedule SB line 40 for the plan year referenced above? \$_____.
2. Why Form 5330, *Return of Excise Taxes Related to Employee Benefit Plans*, was not filed for the year(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.

3. If the amount reported as the unpaid minimum required contribution for all years has been corrected or partially corrected, provide detailed information explaining how and when the correction was made including the amounts and dates the contributions were made. If the correction was made 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.

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4. If the unpaid minimum required contribution reported for all years was not fully corrected, please provide an explanation and outline actions taken to eliminate the unpaid minimum required contribution or funding deficiency.

5. 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?

6. Have you filed a standard or distress termination request for this plan with the PBGC?
 Yes No

If so, indicate the date the request was submitted, whether it was for a standard or distress termination, and provide the current status of the request. Please provide the name of your contact person and case number if assigned.

7. 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?
