

Information and Document Request – Cash Balance Plan

Each of the listed items has a purpose in the examination process, so all are important. If any requested information or document presents a problem for you, or is available in electronic or other form, please contact me to let me know and discuss possible alternatives.

Each request relates to the year(s) under examination unless otherwise specified.

Please have each of these items available for review during the examination. It is not necessary for you to make copies of everything. If I need copies of items for my file, I will let you know.

The initial review will be more efficient for both of us if the requested information and documents are complete and well organized. For example, it will be helpful if the information and documents are numbered to correspond to the numbered items below.

Please feel free to contact me about any questions that arise when you are getting the information and documents together.

Please have the following items available during the examination:

A. To document plan provisions, ensure that the plan is qualified in form and verify filings:

1. The plan document, the trust document, and all amendments related to the year(s) under examination.
2. The most recent IRS determination letter that applies to the year(s) under examination and any special demonstrations submitted with your determination letter application.
3. If you are using a prototype plan, a copy of the IRS opinion letter issued to the sponsor of the prototype plan, the plan document and adoption agreement.
4. Forms 5500 series return, *Annual Return/Report of Employee Benefit Plan*, for each year under examination, the preceding year and succeeding year. Please be sure to include all schedules and attachments required to be filed with the Form 5500.
5. Forms 5500 series returns, *Annual Return/Report of Employee Benefit Plan*, for any other qualified retirement plan sponsored by the employer for the year(s) under examination.
6. If applicable, any Forms 5330, *Return of Excise Taxes Related to Employee Benefit Plans*, for the year(s) under examination.

7. If applicable, any Forms 990-T, *Exempt Organization Business Income Tax Return*, for the year(s) under examination. This return applies only if the plan had unrelated business taxable income for the year(s) under examination.
8. The summary plan description (SPD), summaries of all material modifications (SMM), and the summary annual report (SAR).
9. Other:

B. To determine if the plan satisfies the eligibility and coverage requirements of Internal Revenue Code (IRC) sections 410 and 401(a)(26), please provide the following:

1. The employer's records that were used to determine employees' eligibility to take part in the plan for the year(s) under examination; such as payroll records, time cards, personnel records, and employment contracts. Also include a copy of the Forms 940, *Employer's Annual Federal Unemployment Tax Return*; Forms 941, *Employer's Quarterly Federal Tax Return*; Forms W-2, *Wage and Tax Statement*; and related Forms W-3, *Transmittal of Income and Tax Statements*.

These records must show the dates of hire, participation, re-hire and hours worked during the eligibility computation period.

2. Participant census reports and valuation reports.
3. A list of all plan participants for the plan year(s) ending _____, as well as a list of all employees employed during the year that are not participating in the plan and the reason why they are not in the plan.
4. A demonstration outlining how the plan satisfied the minimum coverage requirements of IRC 410(b).
5. Identification/documentation of any controlled group members or other related entities.
6. Other:

C. To determine if the plan is in compliance with the vesting, distribution, and limitations on benefits requirements of IRC sections 401(a)(9), 401(a)(11), 401(a)(31), 411, 415 and 417:

1. Please provide documentation that indicates which plan participants were active participants (accrued a benefit) in the prior year but were not active in the year under examination. If possible, also submit a list of such participants.

2. Form 5500, Schedule H, Part II, line 2e(1) (or Schedule I, Part I, line 2e) indicates that \$ _____ was paid to plan participants:
 - a. Please provide a list of these participants,
 - b. their dates of hire, dates of birth and dates of termination,
 - c. proof of payment and/or proof of rollover,
 - d. spousal consent forms to waive the Qualified Joint & Survivor Annuity form of benefit if the benefit was not paid in the form of a Qualified Joint & Survivor Annuity,
 - e. any Qualified Domestic Relations Order requests received or QDRO distributions made for the plan year under examination,
 - f. workpapers showing the calculation of the benefits that were paid to the participant(s). These calculations should have the compensation that was used, the years of service, the actuarial factors that were used and should correspond to the benefit formula in the plan document. In addition, please ensure the calculations are detailed enough to verify compliance with IRC section 417(e), with respect to the calculations of lump sum distributions.
3. Please provide a demonstration and explanation as to how the plan satisfies the rate of accruals requirements under either IRC section 411(b)(1)(A), (B) or (C), the protection of accrued benefits as required under IRC section 411(d)(6), and the prohibition against the reduction of benefit accruals because of age under IRC section 411(b)(1)(H).
4. Forms 1099-R, *Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*, for distributions from the plan.
5. Other:

D. To demonstrate how the plan satisfies the deductible limits of IRC section 404:

1. Form ___ 1120, ___ 1120S, ___ 1040, ___ 1065, ___ 990 - Tax return of the plan sponsor, which covers all or a part of the year(s) under examination.
2. Cancelled checks, fund transfers or other documentation verifying contributions made to the plan and deductions taken on the tax return(s) for the year(s) under examination. Please **reconcile** the deduction taken on the return to the contributions made to the plan.
3. Other:

E. To demonstrate how the plan is in compliance with the nondiscriminatory requirements of IRC section 401(a)(4) and the top-heavy requirements of IRC section 416 and related regulations:

1. Provide a list of the Highly Compensated Employees, as defined in IRC section 414(q).
2. Please demonstrate how the plan satisfies either a Safe Harbor (Income Tax Regulation 1.401(a)(4)-3(b)) or the General Test (Income Tax Regulation 1.401(a)(4)-3(c)).
3. Please provide the top-heavy ratio calculation as defined in Internal Revenue Code section 416(g).
4. Other:

F. To determine if the plan has met the minimum funding requirements of IRC section 412:

1. Please provide the actuarial valuations for the year under examination, the three (3) prior years and the subsequent year.
2. Other:

G. The following items are being requested to examine the operation of the trust including determining the ownership, existence and fair market value of trust assets and whether the provisions of IRC sections 72, 401(a)(2), 513, 514 and 4975 are being complied with:

1. Evidence of a fidelity bond for all people handling trust assets as required by ERISA section 412(a).
2. Supporting documents for all plan assets and liabilities, such as broker's statements, bank statements, stock certificates, insurance contracts, loan documents, deeds, etc and verification of how assets are valued.
3. Trustee or administrator reports; ledgers; journals; trustee, administrator and investment committee meeting minutes; certified examination report; and other financial reports for the trust. Any other financial reports, including receipt and disbursement statements, a detailed income statement and a detailed balance sheet.
4. Other: