

Internal Revenue Service

Department of the Treasury

Date:

Taxpayer Identification Number:

Plan Name:

Plan Number:

Tax Period Ending:

Person to Contact/ID Number:

Contact Telephone Number:

E-mail Address:

Dear Sir or Madam:

The Employee Plans Compliance Unit (EPCU) of the IRS is conducting a compliance check of the plan referenced above as part of our ongoing efforts to increase voluntary compliance in the 401(k) plan sector. This compliance check is a comprehensive look into 401(k) plans to determine: (1) potential compliance issues, (2) any plan operational issues, and (3) additional education and outreach guidance that may be helpful for the IRS to provide to plan sponsors to improve compliance.

The above-referenced plan has been randomly selected to answer questions concerning plan features and operations. Information is being requested on this plan and approximately 1,200 other plans that have filed Forms 5500 with the Department of Labor/Internal Revenue Service.

Background on the Project

Section 401(k) plans are the fastest growing retirement plan market segment and have a significant impact on the health of the private retirement system in America. The IRS devotes a substantial amount of resources to this area. Efforts in this area include compliance programs, customer education and outreach, and guidance initiatives.

What is a Compliance Check?

This letter constitutes a compliance check, which is a review by the IRS to determine adherence to certain requirements. A compliance check is neither an audit nor an investigation under IRC section 7605(b) nor an audit under section 530 of the Revenue Act of 1978. A compliance check is not a review of an organization's books and records.

Failure to respond or to provide complete information, however, will result in further action which could include a full examination of your plan. Information gathered from the 401(k) Compliance Check Questionnaire will be used in future compliance efforts. Based on the information received, the IRS will issue a public report summarizing the data collected, but will not include names, locations, or other identifying information of any respondents.

What You Need to Do


Enclosed with this letter are instructions on how to complete the 401(k) Compliance Check Questionnaire. Please complete the 401(k) Compliance Check Questionnaire within **90 days** from the date of this letter. Be sure to limit your responses to the information requested and do not submit any supplemental materials. Please be sure to answer all applicable questions. If you do not fully complete the Questionnaire, we may need to contact you to obtain additional information.

For ease in completing the Questionnaire, you may find it helpful to print out a copy of the Questionnaire and the glossary of terms. It is also helpful to read the frequently asked questions about this compliance check that you may access from the EPCU website under the "Employee Plans Programs" link at www.irs.gov/ep. The website also provides additional information about the Employee Plans Compliance Unit, compliance checks, and our current compliance projects.

If you would like someone else to represent the plan during this compliance check, you must submit a written power of attorney. Please use Form 2848, *Power of Attorney and Declaration of Representative*, for this purpose.

If you have questions, please contact the person whose name appears in the heading of this letter.

Sincerely,



Craig Chomyok
Manager, EPCU

Enclosure:

Instructions for 401(k) Compliance Check Questionnaire