



**Department of the Treasury
Internal Revenue Service**

TE/GE Employee Plans
Employee Plans Compliance Unit
2637 N Washington Blvd #164
North Ogden, UT 84414

Taxpayer Identification Number:

Plan Year Ending:

Plan Number:

Person to Contact/ID Number:

Contact Telephone Number:

Fax Number:

Email Address:

Manager's Name/ID Number:

Manager's Contact Number:

Dear Sir or Madam:

This letter constitutes a compliance check. A compliance check is not an audit or investigation under section 7605(b) of the Internal Revenue Code (the Code) or an audit under section 530 of the Revenue Act of 1978. This letter was sent to you because information contained on your Form 5500 *Annual Return/Report of Employee Benefit Plan* return (see below) indicated that your company had a significant reduction in plan participation during the indicated tax year.

Plan Name:

Plan Number:

Plan Year Ended:

Form 5500 Line 5, Total Participants Beginning of Year:

Form 5500 Line 6f, Total Participants End of Year:

Form 5500 Line 6h, Participants that terminated and were less than 100% vested:

When a group of participants is removed from a plan, a partial termination may occur if the reduction in the participant group is deemed significant. A percentage test is used in making this determination as provided in Announcement 94-101, 1994-35 I.R.B. As provided in Revenue Ruling 2007-43, a significant reduction occurs when more than 20% of a participant group is eliminated from a plan during a short period of time. When a partial termination occurs, section 411(d)(3) of the Code requires immediate vesting of all members in the affected group.

Please complete and return the attached "Request for Information" within 21 days from the date of this letter. Your response can either be faxed or mailed to the fax number or address shown above. Failure to provide this information could result in further action or examination of your plan. Also, you may furnish any other documents or clarifying materials that you believe may be useful in determining whether a partial termination event did, or did not, occur.

If you would like someone else to represent you during this 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. A properly completed Form 2848 *Power of Attorney and Declaration of Representative* is important, because an Internal Revenue Agent can only discuss tax matters with an authorized representative.

For more information, please visit the Employee Plans Compliance Unit (EPCU) webpage at www.irs.gov/ep or, contact me at the telephone number referenced above. Thank you for your cooperation.

Sincerely,

Enclosure:
Request for Information
Return Envelope