



IRS Compliance Check of 401(k) Plans

In an effort to improve 401(k) plan compliance, the IRS Employee Plans Compliance Unit (“EPCU”) is in the process of administering a compliance check of 401(k) plans. In late May, the EPCU randomly selected and sent notice of the 401(k) compliance check to approximately 1,200 plan sponsors. The process involves a checklist, which is to be completed online within 90 days of receipt with an extension possible in certain cases. Sponsors who are unable to complete the checklist online are instructed to contact the EPCU representative listed in the initial communication. This compliance check is an enforcement action that selected sponsors must respond to. Failure to respond in a timely manner may result in further IRS enforcement action, which could include a plan examination.

The goal of this EPCU initiative is to increase plan sponsors overall 401(k) compliance awareness and to better identify current, common compliance and operational issues. The final results of the checklist responses will better enable the IRS to design and focus future plan sponsor compliance education and outreach programs.

Although the chance of receiving this notice is relatively small, we want to remind you we are available to assist in answering any questions you may have regarding the checklist. For more information about the compliance check, please visit the EPCU website under the “Employee Plans Programs” link at www.irs.gov/ep.

As part of our ongoing and proactive approach to 401(k) plan management, the goal and design of the DC Consulting department at USI Consulting Group is to help you address, identify and prevent common operational and compliance issues.

As a reminder, highlights of the services available to you are:

- Periodic Investment Reviews
- Plan Document Review
- Investment Policy Statement Review
- Non-Discrimination Testing Review
- Compliance Calendar Review
- Marketplace Trends and Enhancement Discussion
- Employee Education Meetings
- Periodic Stewardship Meetings

If you have received the IRS EPCU compliance checklist notice, please feel free to contact us with any questions or for assistance in gathering the information necessary to complete the questionnaire for your plan.

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