

Internal Revenue Service

Department of the Treasury

Date:

Taxpayer Identification Number:

Plan Name:

Plan Number:

Plan Year Ending:

Person to Contact/ID Number:

Contact Telephone Number:

Contact Fax Number:

E-mail Address:

Return Reply to:

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 show as reported on Form 5500, *Annual Return/Report of Employer Benefit Plan*, Schedule B, line 9(p) that the plan referenced above reported a minimum funding deficiency for the referenced plan year in the amount of \$. This deficiency has a potential excise tax liability under IRC Section 4971(a) in the amount of \$.

Please respond to the following items that are checked below:

- Why Form 5330 was not filed for the year(s) referenced. Form 5330 is used to report excise taxes on plans with funding deficiencies. Under IRC 412 the contribution to the plan necessary to avoid a funding deficiency must be made within 8 1/2 months after the end of the plan year. If the contribution was made within the time allowed, provide information detailing when the contribution was made. If a funding deficiency existed, file the Form 5330 with remittance to the address listed in the "Return Reply to" section above.
- Why excise tax was not paid for the listed year(s). An excise tax equal to 10% (5% for multi-employer plans) is due on the required contribution not received by the plan within the time allowed. This tax is assessed without regard to mitigating circumstances and can not be waived.
- How and when the funding deficiency was corrected. If the contribution necessary to correct the funding deficiency has been made or was corrected by other measures provide the supporting details. If you wish, either a copy of the subsequent year's Schedule B from the Form 5500, or a copy of the cancelled check or the trust account statement can be submitted.

- Why the funding deficiency in the amount of \$ _____ was not corrected. Please provide an explanation and outline actions taken to eliminate the funding deficiency, in the event that a funding deficiency exists.

Have you filed a funding waiver request for this plan with the IRS? If so, when was the request submitted and what is the current status of the waiver?

Have you filed a distressed termination request for this plan with the PBGC? If so, when was the request submitted and what is the current status of the request?

Have you filed a petition for bankruptcy with the bankruptcy court? 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?

A reply is needed within 20 days of the above date. We also request that you provide to us a daytime telephone number where we can reach you, and the best time to contact you (include time zone). Failure to provide the information regarding the 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 have questions, please contact me at the number referenced above between 8:00 a.m. and 4:00 p.m. CST. For additional information, you may visit the IRS website www.irs.gov/ep. Thank you for your cooperation.

Sincerely,