

**Internal Revenue Service
TE/GE Employee Plans**

Department of the Treasury

Date:

Taxpayer Identification Number:

Tax Period Ending:

Plan Number:

Person to Contact/ID Number:

Contact Telephone Number:

Fax 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 (Code) or an audit under section 530 of the Revenue Act of 1978. This compliance check is intended to verify the accuracy of information reported to us on Form 5500, *Annual Return/Report of Employee Benefit Plan*, and Form 5500 Schedule H (*Financial Information*) or Form 5500 Schedule I (*Financial Information – Small Plan*). Specific information, from these sources, is shown below.

Plan Name:

Plan Number:

Form 5500 – Line 6 –

Form 5500 – Line 7 –

This letter was sent to you because information contained on your Form 5500 return (see above) indicated that your company had a significant reduction in plan participation during the indicated tax year.

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. A significant reduction occurs when more than 20% of a participant group is eliminated from a plan during a short period of time. See Announcement 94-101, 1994-25 I.R.B. 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.

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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 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:

Copy of this Letter
Request for Information
Return Envelope