

# 15 Audit & Compliance Questions For Qualified Retirement Plans

The IRS recently announced audit and compliance initiatives for the coming year. There are a number that relate to qualified retirement plans.

### Small Exempt Organization Plans, Specifically

- Are plan investments properly administered?
- Are there any party-in-interest transactions?
- Are plan loan provisions being followed accurately?

### Owner Only Plans (an often-overlooked type of plan; now a focus):

- Are there operational or plan qualification issues?
- Are there income or excise tax adjustments?
- Are there plan document violations?

### Worker Classification

- The IRS will be reviewing the classification of workers. If it is determined that an independent contractor should have been classified as an employee, are there implications on the coverage and non-discrimination requirements if the employer sponsors a retirement plan?

### Required Minimum Distributions (RMDs)

- The IRS will review plans to ensure that RMDs are made timely. Missing the deadline can lead to plan disqualification and significant excise taxes. Are there other consequences?

### Self-Employed Plans

- Is the owner-employee's earned income calculated correctly?
- Is the deduction properly placed on Form 1040?
- Are plan participants' allocations being accurately calculated?
- What's needed to ensure compliance with non-discrimination requirements and Internal Revenue Code 415 limits?

### Participant Loans

- Is proper calculation of maximum loan balances maintained?
- Are repayment rules being followed?

### Need Help?

This is an important question to answer, because it's difficult to keep up with the many government changes to plans that are made every year. Let Primark Benefits make sure your plans, or your clients' plans, are in compliance and ready for audits. Contact us today!

Check out "Low Cost Ways To Improve 401(k) Participation" for additional ways to encourage employees to open 401(k) plans.

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#### Why Primark Benefits

- ◆ **EXPERIENCE:** We've been in business since 1971
- ◆ **EXPERTISE:** Our credentialed staff are experts and leaders in the field
- ◆ **ACCURACY:** We have rigorous quality control and a compliance dept
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