



401 (k) Plan Compliance

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The Internal Revenue Service (the Service) has announced that its Employee Plans Compliance Unit ("EPCU") will be mailing out a letter and instructions to a random sample of 1,200 employers that sponsor 401(k) plans asking them to complete a "401(k) Compliance Check Questionnaire."

The Service is well aware that 401(k) plans have far surpassed defined benefit plans as the preferred retirement vehicle for the majority of employers. A recent IRS Employee Plans Examination Study of 79 market segments indicates that 401(k) plans are by far the most non-compliant type of retirement plan. In as much as these plans comprise more than 60% of all retirement plans, the Service believes that it is important to the future of the private retirement system that 401(k) plans maintain the highest level of compliance possible.

For more details go to our resources page and select *Compensation and Benefits: IRS Random Sampling of 401(k) Plans* alert or should you receive a letter from the IRS, please contact Sherry L. DelleBovi, CPA at sdellebovi@lumsden CPA.com or 716-856-3300.



Sherry, a partner with Lumsden & McCormick since 2000 is responsible for the planning, coordination and performance of services provided to commercial businesses. Sherry has extensive experience in the areas of auditing, accounting, review services, taxation and consulting services including forecasts and projections, financing arrangements and accounting policies and procedures. She specializes in services to auto dealerships, professional service firms, manufacturing, and distribution businesses. Sherry is also responsible for the training, development, and evaluation of professional staff. She is a member of the American Institute of Certified Public Accountants and New York State Society of Certified Public Accountants (NYSSCPA). Sherry serves as Treasurer of Insyte Consulting, a WNY Technology Development Center, Inc. company; Mentor, Reactor and graduate of the UB School of Management, Center for Entrepreneurial Leadership; immediate past president of the Buffalo Chapter of the NYSSCPA's; and past president of WNY Chapter of Financial Women International. She is a graduate of the State University of New York at Buffalo with a Bachelor of Science degree in accounting.