

IRS Will Conduct Full-Scope Examination of Plans Whose Sponsors Failed to Return the 401(k) Compliance Questionnaire

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The Internal Revenue Service has announced its intention to conduct full-scope examinations of 401(k) plans whose sponsors did not return the "401(k) Compliance Check Questionnaire." In May 2010, the IRS sent out questionnaires to 1,200 employers that sponsor 401(k) plans. The purpose of the questionnaire was for the IRS to gather information to provide a comprehensive view of 401(k) plans and to help it maximize its resources for education, outreach, guidance, and enforcement efforts. The IRS warned at that time that failure to respond would lead to further action. Now, the IRS has determined it will conduct full-scope examinations of the plans whose sponsors failed to respond. For plan sponsors that did respond, while not exempt from future examinations, the IRS stated that any notice of examination would not be a direct result of their answers on the questionnaire. The IRS announcement can be found [here](#).