

Pension & Benefits Reporter™

June 11, 2013

Plan Administration

Search for Missing Plan Participants Requires Due Diligence, IRS Speaker Says

By Florence Olsen



Retirement plan sponsors can demonstrate due diligence in seeking missing participants if they mail a certified letter and pursue at least one additional option for finding participants and beneficiaries who are owed benefits, an Internal Revenue Service official said June 5.

“In some cases, you may want to use more than one methodology, but at least one in addition to certified mail is considered due diligence,” Monika A. Templeman, director of employee plans examinations at IRS, said at the Plan Sponsor Council of America's 2013 Public Policy Fly-In.

IRS dropped its letter-forwarding program Aug. 31, 2012, citing efforts to maximize its use of limited resources (170 PBD, 9/4/12; 39 BPR 1701, 9/11/12).

“Plan sponsors still have the responsibility of taking reasonable action to find all current and former participants and beneficiaries to whom an additional benefit is owed,” Templeman said.

The due diligence standard requires that plan sponsors send a certified letter to the last known mailing address and use at least one additional method, such as the Social Security Administration's letter-forwarding program, a commercial locator service, a credit reporting agency, or an internet search engine, Templeman said.

In September 2012, IRS cautioned plan administrators that they might have to amend pending submissions under IRS's Employee Plans Compliance Resolution System if any proposed correction methods involved locating missing participants through the use of IRS's letter-forwarding program (174 PBD, 9/10/12; 39 BPR 1701, 9/11/12).

General Information

applied_name	Search for Missing Plan Participants Requires Due Diligence, IRS Speaker Says
bnacategory	story
early_edition	0
Topic	Employee Benefits