

MEMO# 23056

November 10, 2008

IRS Request for Help Contacting SARSEP Sponsors

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TO: PENSION COMMITTEE No. 31-08
PENSION OPERATIONS ADVISORY COMMITTEE No. 31-08 RE: IRS REQUEST FOR HELP
CONTACTING SARSEP SPONSORS

The Internal Revenue Service has asked the Institute for help in contacting employers who sponsor Salary Reduction Simplified Employee Pensions (SARSEPs). The IRS informed us that routine reviews of SARSEP plans have revealed that some employers may not be running the annual tests required of SARSEP plans. The IRS requested our help in asking service providers to SARSEPs to provide this information to employer sponsors to assure compliance and, if necessary, make corrections to keep the plans qualified.

The attached document was prepared by the IRS and has been provided to us for distribution to plan sponsors.

There are a number of resources available to SARSEP sponsors and service providers on the IRS' website. There is an online guide to SARSEP operation and compliance at <http://www.irs.gov/retirement/sponsor/article/0,,id=137455,00.html>. The IRS also has a compliance checklist for SARSEPs, available at http://www.irs.gov/pub/irs-tege/sarsep_checklist.pdf. More detailed information on tips and trends on SARSEP compliance is available at <http://www.irs.gov/retirement/article/0,,id=148131,00.html>.

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[Attachment](#)

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