



Qualified Plan Consulting

ING Alert 2012/12-04

IRS Letter-Forwarding Program Modified to Exclude Qualified Plans

On August 31, 2012, the Internal Revenue Service (IRS) released Revenue Procedure 2012-35 that modifies the letter-forwarding program, and is effective for all requests postmarked on and after August 31, 2012.

Background – Revenue Procedure 94-22 provided that, upon receiving a written request, the IRS would forward letters that serve a “humane purpose”. Among other things, this included forwarding letters on behalf of Plan Administrators, sponsors of qualified retirement plans or qualified termination administrators (QTAs) of abandoned plans, who were trying to locate missing participants to advise them of benefits due to them.

Revenue Procedure 2012-35 provides that given there are alternative means of locating missing participants including the internet, the IRS will no longer offer letter-forwarding services on behalf of Plan Administrators, sponsors of qualified retirements or QTAs for abandoned plans.

Alternative Available Search Options - The Trustee or Plan Administrator of an ERISA plan can make a good faith effort, as part of his or her fiduciary responsibilities under ERISA, to locate missing participants in accordance with the following methods outlined in Department of Labor Field Assistance Bulletin 2004-02, Fiduciary Duties and Missing Participants in Terminated Defined Contribution Plans (<http://www.dol.gov/ebsa/regs/fab2004-2.html>):

- Sending documentation to the last known address of a missing participant by certified mail, return receipt requested,
- Contacting sources such as the missing participant’s family members, friends, other employees or the participant’s beneficiary if that information is on file,
- Checking the records of related employer plans, such as group health plans,
- Using a commercial locating service,
- Social Security Administration letter forward service (<http://www.socialsecurity.gov/foia/html/ltrfwding.htm>)
- Through internet sources

IRS Circular 230 Disclosure

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