



IRS Sending Notices to One-Participant Plans

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You might have heard from your clients with one-participant plans that they recently received [IRS Notice CP 214](#) (the “Notice”) regarding their Form 5500 filing requirements. Your clients are probably asking you what to do. Of course, most clients hate receiving anything from the IRS, and this Notice will likely be no exception.

The IRS is mailing every one-participant plan that has previously filed a Form 5500-EZ or Form 5500-SF. The Notice provides the basic information with which we are all familiar regarding the filing of Forms 5500-EZ or -SF. The Notice also addresses requiring certain types of foreign retirement plans to file a Form 5500-EZ.

One purpose of this Notice is to remind plan sponsors that, if aggregate plan assets fall to less than \$250,000, they are not actually required to file a Form 5500. The Notice fails to note that failure to file a Form 5500 in that

situation means that the activities of the plan for that plan year continue to be open for examination indefinitely (as ASPPA has discussed over the years). For plans that may have stopped filing Form 5500 because their plan assets fell below \$250,000 in the past, the Notice also serves as a reminder that it may be time to file again if their assets now exceed the threshold.

Many sponsors of one-participant plans may be confused by this Notice. You may tell each of your clients to ignore this Notice unless their plan(s) hover near the \$250,000 threshold.

Meanwhile, you may want to let your clients know that this is the IRS’ way of providing customer service. Your clients should be happy to know that you will take care of their needs in this area and that they may discard the IRS reminder.

Additional information regarding [this Notice](#) may be found on the IRS website.

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