

## Application of Carol D. Gold for the Position of Director, Employee Plans

September 3, 1999

Ms. Evelyn A. Petschek  
Assistant Commissioner of EP/EO  
Internal Revenue Service  
Employee Plans Division, CP:E Room 3408  
1111 Constitution Avenue, N.W.  
Washington, D.C. 20224

Re: Application of Carol D. Gold for the Position of Director, Employee Plans

Dear Ms. Petschek:

The American Society of Pension Actuaries (ASPPA) supports the candidacy of Carol D. Gold for the position of Director, Employee Plans.

ASPPA is a national organization of approximately 3,700 members who provide actuarial, consulting, administrative, legal and other professional services for about one-third of the qualified retirement plans in the United States, the majority of which are maintained by small businesses. ASPPA's mission is to educate pension actuaries, consultants, administrators, and other benefits professionals and to preserve and enhance the private retirement system as part of the development of a cohesive and coherent national retirement income policy.

For much of this decade, ASPPA, through its Government Affairs Committee and its Executive Director, has worked closely with Carol Gold as a senior staff member in the Employee Plans Division and in her current capacity as Director, Employee Plans. The scope of that work has covered such disparate issues as the development of the IRS' remedial programs for qualification failures for qualified plans and 403(b) arrangements; the development of regulations and other guidance; revisions of the Form 5500 and other IRS forms; concerns over IRS procedures and programs; issues related to plan documentation and the favorable determination letter process; and IRS outreach and educational programs.

Our experience is that Ms. Gold engages an open and honest dialogue with the private sector and earnestly works to understand our concerns and to gain our input on both technical and practical issues in the operation of qualified plans.

Most of the plans administered by ASPPA's members cover fewer than 100 employees (that is, they would be classified as small plans). Because the requirements for qualified plans are so voluminous and complex, and because small employers do not have sophisticated in-house benefits employees, those employers necessarily rely heavily on the services of ASPPA's members to establish and operate those plans. As a result, ASPPA's members-most of whom are small businesses-deal with the qualified plan problems of small businesses every day. In effect, ASPPA's members live with the technical and practical burdens and benefits of small plans. As a result, ASPPA's members are uniquely suited to represent the interest of those employers in providing advice and counsel to the IRS. Correspondingly, because the rules are so complex, and because of the burdens of running entrepreneurial and family businesses, it is virtually impossible for the business owners and officers to effectively represent themselves in discussions with the IRS on technical issues.

With that in mind, ASPPA has valued its relationship with Ms. Gold because she has provided the "open door" for us to express the needs and concerns, on both a technical and practical level, of the hundreds of thousands of businesses which sponsor plans covering fewer than 100 employees, as well as the issues facing larger plans. That dialogue is valuable because of the benefit it provides to the IRS in the development of guidance and enforcement projects. It is also valuable because of the insights that it provides to the private sector about the IRS' concerns and objectives. We value this "partnership" that has developed with Ms. Gold and, because of its importance to ASPPA and its members, we support the candidacy of Ms. Gold for the position of Director, Employee Plans.

In addition to appreciating the "open door" policy fostered during Ms. Gold's administration as the current Director, Employee Plans, ASPPA was to specifically endorse her work on the voluntary correction programs for qualification defects and her support for, and participation in, the Regional Outreach programs.

During Ms. Gold's administration, the private sector has benefitted from the expansion of the administrative policy for correcting defects (APRSC), the integration and expansion of the correction programs in the Employee Plans Compliance Resolution System (EPCRS), and the recently published correction examples. Combined with the training of the Revenue Agents in the field, this guidance has proven to be a powerful force in the voluntary correction by employers of plan defects and thereby to protect and enhance the benefits of participants in qualified plans.

Regarding the Regional Outreach Conferences, ASPPA co-sponsors the Western and Midstates Conferences and is a key participant in the Northeast Conference. The IRS' co-sponsorship and participation in those conferences bring much-needed technical guidance to the service providers in those regions. The effect of that education and communication is to support and facilitate voluntary plan compliance-which is a goal of both the IRS and ASPPA. Carol Gold has actively supported and participated in those programs. Her participation, and her technical skills, provide leadership both within and outside the IRS for open communication on technical issues between the IRS and the benefits community.

Finally, we would be remiss if we did not comment on the attitude of the personnel in Employee Plans during your administration and Carol Gold's administration. During the early '90s, the relationships between Employee Plans and ASPPA were, at best, strained and trust levels were low. During your administration of and Ms. Gold's, the wounds of that era had been healed and the spirit of cooperation is at the highest level in the last two decades.

For the reasons expressed in this letter, ASPPA requests that Ms. Gold be appointed as the Director, Employee Plans.

Very truly yours,

C. Frederick Reish, APM Brian Graff, Esq.  
ASPPA Government Affairs Committee ASPPA Executive Director

Craig Hoffman, APM, Co-Chair  
ASPPA Government Affairs Committee

Bruce L. Ashton, APM, Co-Chair  
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CFR:shm