

Employee Benefit Plans Alert

What Are Retirement Plan Documents?

By Anthony Bianchi, Supervisor and Louis F. LiBrandi, Principal

The purpose of this article is to provide information as to the designated term “plan documents” as it used in many legal and statutory situations and as frequently requested by auditors performing a financial statement review, regulatory examination, during an RFP process, due diligence, etc.

Specific Plan Documents

Characteristically, the term refers to all or some of the following materials:

- Adoption Agreement
- Basic Plan Document
- Trust Document
- Summary Plan Description (SPD)

These documents comprise the rules and regulations governing the plan. The wording of the plan provisions is referred to as the “form” of the plan. Most types of plans – whether individually-designed or more commonplace – a prototype plan is issued a determination/opinion or advisory letter from the IRS who has reviewed the plan documents submitted to them by the plan document preparer. Many times that is the plan’s record keeper.

Caution

In our recent representation of retirement plan examinations, we have encountered many plan documents and amendments that are not executed/signed or, in a few situations, not available. When the plan is being examined by the IRS, documents and amendments that are not executed or cannot be produced will likely result in the examination being processed by a closing agreement. A closing agreement requires correction (i.e., appropriate plan documents being secured, and contemporaneously signed) as well as a negotiated sanction payment made to the IRS.

Monitoring Plan Documents

Plan documents need to be periodically updated. (See the article, [Defined Contribution Plan Restatements Must Be Completed by July 31, 2022](#).) A best practice is for all the plan documents to be maintained by the plan sponsor in one separate file (frequently referred to as a “fiduciary file”) and reviewed annually.

Contact Us

The Employee Benefit Services Group at PKF O’Connor Davies is available to assist employers with all aspects of employee benefit plan compliance. For more information, please email Tim Desmond at tdesmond@pkfod.com or Louis F. LiBrandi at librandi@pkfod.com.

About PKF O’Connor Davies

PKF O’Connor Davies, LLP is a full-service certified public accounting and advisory firm with a long history of serving clients both domestically and internationally. With roots tracing to 1891, fourteen offices in New York, New Jersey, Connecticut, Florida, Maryland and Rhode Island, and more than 900 professionals, the Firm provides a complete range of accounting, auditing, tax and management advisory services. PKF O’Connor Davies is ranked 27th on *Accounting Today’s* 2020 “Top 100 Firms” list. It is also ranked among the top 20 best accounting employers to work for in North America by *Vault*.

PKF O’Connor Davies is the lead North American representative in PKF International, a global network of legally independent accounting and advisory firms located in over 400 locations, in 150 countries around the world.

Our Firm provides the information in this e-newsletter for general guidance only, and it does not constitute the provision of legal advice, tax advice, accounting services, or professional consulting of any kind.