



401(k) Plan Bulletin

April 2010

Plan Audits

Large plans (generally those with 100 or more participants) are required to submit audited financial statements by a qualified independent public accountant as part of their Form 5500 filing. New pronouncements and changes affecting 2009 audits include subsequent events, fair value, income taxes, and communicating internal control related matters identified in an audit. The American Institute of Certified Public Accountants Employee Benefit Plan Audit Quality Center (EBPAQC) provides helpful information for plan sponsors pertaining to benefit plan audits. Snyder Cohn is a member of the EBPAQC.

Safe Harbor Rules for Depositing Participant Contributions

In January 2010, the DOL issued final rules regarding the timeliness of deposits of participant contributions. The rules apply only to plans with less than 100 participants (small plans), and establish a safe harbor of 7 business days after participant contributions are withheld to deposit the funds into the plan. Note that for large plans, the rules still require that participant contributions be submitted to the plan as soon as they can be reasonably segregated from the employer's general assets.

Fiduciary Responsibilities

The Department of Labor's ERISA Fiduciary Advisor provides useful information and answers questions on the responsibilities of plan fiduciaries, at <http://www.dol.gov/elaws/ERISAFiduciary.htm>.

Please contact Barbara M. Kromer, Director of our ERISA Audit Group, at 301-652-6700.

Snyder Cohn has a dedicated ERISA audit practice whose members have managed and overseen over three hundred retirement plan audits, including 401(k), profit sharing, pension, ESOP, welfare, and now 403(b) plans. Go to www.403b-audit.com.