

Subject: OMB Proposal Clearance Request – Follow-up Summary Report

You recently submitted an OMB clearance request for a Compliance Check Questionnaires that was approved OMB approval number 1545-2071. As a requirement, a summary report to include the information below should be submitted to our office, Special Products Section, Tax Forms & Publications Division, within 60 days after the completion of survey questionnaires. **Please provide a brief summary (1-2 pages/outline format). Do not include tables, graphs, charts, etc., since they are not included in the report to OMB.**

- 1) **OMB #:** 1545-2071
- 2) **Title of Study:** Pilot Questionnaire for Government Plans Initiative ~~(relating to governmental bonds)~~
- 3) **Purpose:** ~~To address policies, practices, and recordkeeping of governmental issuers benefitting from tax exempt financing in such key areas as use of proceeds, use of property, arbitrage, expenditures, and other requirements.~~ Obtain information about the plans within the governmental sector to help the Employee Plans Division in assessing the need to develop further guidance and compliance tools.
- 4) **Findings:** All but one governmental entity indicated that they maintain a Trust for the exclusive benefit of participants and all plan government plans have regularly prepared financial statements. However, 3 respondents indicated that their retirement plans are not audited by accounting firms or staff. In terms of amending retirement plans 71% indicated that the state legislature had the authority to amend the plan.

Seventy-six percent of respondents indicated that they were aware of our Employee Plan Compliance Resolution System, which allows retirement plan sponsors to voluntarily self-correct compliance issues; showing that, although a majority of plan sponsors are aware of the program, more outreach can be done to inform them of this important compliance tool.

- 5) **Actions taken or lessons learned:** As a pilot questionnaire to ascertain the burden and focus of future compliance checks; the sample was not large enough to inform overall compliance trends. The project did highlight that the IRS does not have an adequate method of monitoring plan compliance in the government sector due the wide variation and complexity of retirement plans established by governmental entities.
- 6) **Total Number of requests** (questionnaires sent) **or attempts for taxpayer participation:** 25

- 7) **Total Number of questionnaires returned or participants in focus group, etc.:** 20
- 8) **Date the data collection began** (date only): 02/29/2009
- 9) **Date the data collection ended** (date only): 09/30/2009
- 10) **Response Rate:** 80%
- 11) **Actual Burden Hours:** Total of 193.5 hours reflecting the aggregate number of hours respondents indicated the questionnaire took them to complete.
- 12) **Cost:** N/A

The above information is needed to prepare a report requested by OMB that explains what was accomplished during the OMB clearance period under which these surveys were approved. The information you provide should not exceed two pages, if possible. If you have any questions, please contact me at (202) 622-3634 or Rjoseph.Durbala@irs.gov.