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Paula Calimafde Provides Commentary in Plan Adviser Article on DOL, IRS Plan Audits

Paula Calimafde provides commentary in Plan Adviser article, “DOL, IRS Plan Audits Becoming More Frequent and Thorny,” by Lee Barney (December 15, 2016). The article addresses how employers can avoid retirement fund mistakes so they can lower their audit risk.

There are a wide variety of mistakes plan fiduciaries can make; getting it all right is an ongoing team effort.

The Department of Labor (DOL) and the Internal Revenue Service (IRS) both frequently find numerous mistakes that retirement plan sponsors make in running their plans, and, as a result, they are conducting audits more frequently, experts say.

Ensuring that participant loans and hardship withdrawals are being properly administered is yet another area both the IRS and the DOL find many problems, says Paula Calimafde, a principal with Paley Rothman in Bethesda, Maryland. They frequently find that plans are charging an incorrect interest rate, do not ensure that the funds are being used for the requested purpose or permit a loan to exceed the statutory limits of the lesser of $50,000 or 50% of the vested account balance, she says.

The full article, “DOL, IRS Plan Audits Becoming More Frequent and Thorny,” can be found on the Plan Adviser website.

Paula is Chair of the firm’s Retirement Plans and Employee Benefits practice groups.