

## **IRS to increase scrutiny of benefit plans**

HR professionals may want to take a closer look at their benefit plans as the Internal Revenue Service prepares to increase its scrutiny of those plans.

The IRS intends to boost the number of employee benefit plan audits by about 10% next year and has hired 50 examiners to tackle the job. The agency expects to audit 9,000 plans this year and 10,000 plans next year, according to Michael Julianelle, director of employee plans examinations for the IRS.

Additionally, the IRS anticipates increasing the number of inquiries from 300 this year to 2,000 next year, Julianelle says. An inquiry means the agency notifies a business about a problem in a benefit plan and asks the business what it will do about the problem. This may or may not lead to an audit.

About 50% of audited plans are found to be in violation of the law. If the plan doesn't take action to come into compliance, a fee may be levied.

Julianelle advises employers to examine their plans and correct any mistakes on their own, with the assistance of materials on the [IRS Web site](#).