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## Are You Prepared For Your Upcoming 401K Plan Audit?

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May 26, 2010

The due date for IRS [Form 5500, Annual Return/Report of Employee Benefits Plan](#) is the last day of the seventh month following the end of the plan year. If your company's 401K plan has a calendar year end, then you need to file the 2009 Form 5500 by July 31, 2010 or file an extension to request additional time to file.

To avoid penalty, you will need to file your Form 5500 with all the required schedules and attachments by the due date. Failure to do so may result in penalties being assessed of up to \$1,100 per day.

In general, you are required to file as a large benefit plan if your company has more than 100 benefit plan participants. In that case, you will need to attach audited financial statements for your plan with the Form 5500 filing. However, under the "80-120 Participant Rule", you may be exempt from the audit requirement.

If you have exceeded the 100 participant level this year and is required to have an audit for the first time, you should begin the process now.

To further discuss your tax and audit needs for your company's 401K and benefit plans, please contact [Harriet Leung](#) or [Eric Symkowick](#) at Rowbotham & Company LLP.

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