

[Date]

[Recipient Name]

[Recipient Title]

[Company Name]

[Address]

[City, State, Zip Code]

## **RE: Notice of Controlled Group Status and ERISA Compliance Requirements**

Dear [Recipient Name],

This letter serves to formally notify you regarding the determination of "Controlled Group" status for [Company Name] and its affiliated entities under Sections 414(b) and 414(c) of the Internal Revenue Code.

Based on a recent ownership review, it has been determined that the following entities constitute a controlled group of corporations or trades/businesses under common control:

- [Entity Name 1]
- [Entity Name 2]
- [Entity Name 3]

Under the Employee Retirement Income Security Act of 1974 (ERISA), members of a controlled group are treated as a single employer for purposes of employee benefit plan compliance. This status affects the following areas:

- **Nondiscrimination Testing:** Retirement plans must be tested across the entire controlled group to ensure they do not disproportionately benefit highly compensated employees.
- **Participation and Coverage:** Minimum participation standards must account for the total headcount of all affiliated entities.
- **Benefit Limits:** Section 415 contribution and benefit limits apply to the aggregate totals received by an individual from all group members.
- **Joint and Several Liability:** Group members may share liability for pension funding obligations and certain ERISA-related penalties.

To ensure continued compliance with Department of Labor (DOL) and IRS regulations, we must coordinate the administration of all health, welfare, and retirement programs across these entities. Please provide updated census data and plan documents for all listed entities by [Date] to facilitate our annual compliance review.

If there are any changes in ownership structure or the acquisition of new subsidiaries, you must notify the compliance department immediately.

Sincerely,

[Your Name]  
[Your Title]  
[Organization Name]