

From the desk of Jeanne M. Kerkstra, Esq., CPA

**Viewpoint
Knowledge is Power**

In *Cromer-Tyler v. Teitel, et al.*,¹ a physician/plan administrator found that not playing by the rules when it comes to administering his company's retirement plan can have painful financial repercussions.

The physician was the sole owner of a professional corporation for which he had established a money purchase pension plan. As noted above, he was also the plan administrator. There appears to have been some unsavory behavior on the part of the physician/plan administrator including wrongfully withholding information from the plan participants. Further, once he was required by the court to provide the information, his misconduct continued. He refused to pay over legitimate benefits owed to the plan participants. At the end of the day, the physician/plan administrator was fined by the court **almost \$180,000 in penalties and attorneys' fees** for his failure to provide the documentation and benefits owed as required under ERISA.

The bottom line is that you shouldn't take on responsibility unless you are willing to fulfill it. Further, talk with your legal advisors to stay up to date with the requirements. Is your plan in compliance? We can analyze and advise. Call me today to discuss.

¹ *Cromer-Tyler v. Teitel, et al.* (2007, DC AL) 2007 WL 2684863.

<p>Jeanne M. Kerkstra, Esq., CPA KERKSTRA LAW OFFICES LLC 53 W. Jackson Blvd. Suite 1530 Chicago, IL 60604 312.427.0493 312.675.0500 (fax) jmk@kerkstralaw.com</p>	<p>KERKSTRA LAW OFFICES LLC Problem? Solved.®</p> <p>asset protection • estate planning corporate work • business succession planning forensic investigation • litigation and more</p>
---	--

This material is intended for educational purposes only. The conclusions expressed are those of the author and do not necessarily reflect the views of Kerkstra Law Offices LLC. While this material is based on information believed to be reliable, no warranty is given as to its accuracy or completeness. Concepts expressed are current as of the date appearing in this material only and are subject to change without notice.

TAX ADVICE NOTICE: The Internal Revenue Service (IRS) now requires specific formalities before written tax advice can be used to avoid penalties. This communication does not meet such requirements. You cannot contend that IRS penalties do not apply by reason of this communication.

Posted: Archived