

Why Ownership Is Confirmed Each Year



RETIREMENT MANAGEMENT SERVICES, LLC
Plan Consulting • Administration • Design

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Changes in company ownership can have a direct impact on your retirement plan. Letting **Retirement Management Services (RMS)** know promptly helps ensure the plan stays compliant, accurate, and aligned with your business goals.

1. Protects Plan Compliance

Ownership changes can trigger new testing requirements, controlled group rules, or even plan disqualification issues if not handled correctly. Early notification allows RMS to evaluate the impact and address compliance requirements proactively.

2. Avoids Costly Corrections and Penalties

Unreported ownership changes may lead to incorrect nondiscrimination testing, contribution errors, or missed filings. Catching these issues early can prevent IRS or DOL penalties and expensive corrective actions later.

3. Ensures Accurate Plan Administration

Ownership affects eligibility, vesting, compensation, and Highly Compensated Employee (HCE) status. RMS needs updated ownership information to administer the plan accurately and fairly for all participants.

4. Supports Mergers, Acquisitions, and Restructuring

If the ownership change is part of a sale, merger, or reorganization, RMS can help determine whether plans need to be merged, frozen, terminated, or amended—and guide you through those decisions smoothly.



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5. Aligns the Plan with Business Objectives

Ownership transitions are a great time to review whether the current retirement plan design still meets the needs of new owners and leadership. RMS can help evaluate opportunities to improve outcomes or reduce risk.

6. Creates a Clear Audit and Documentation Trail

Annual ownership confirmation provides documented evidence that the plan sponsor reviewed and validated ownership information—an important safeguard during audits or regulatory inquiries.

Bottom line:

Confirming ownership with RMS every year—even when nothing has changed—helps protect your retirement plan, reduce risk, and ensure continued compliance without surprises. Contact your Account Executive if you have any questions.



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