

MEMO# 3681

April 9, 1992

INTERNAL REVENUE SERVICE ISSUES LIST OF REQUIRED MODIFICATIONS FOR SPONSORS OF SIMPLIFIED EMPLOYEE PENSIONS

April 9, 1992 TO: PENSION COMMITTEE NO. 14-92 RE: INTERNAL REVENUE SERVICE ISSUES
LIST OF REQUIRED MODIFICATIONS FOR SPONSORS OF SIMPLIFIED EMPLOYEE PENSIONS

Attached is an Internal Revenue Service Information Package with samples of plan provisions that satisfy various requirements concerning simplified employee pensions under the Internal Revenue Code as amended through the Omnibus Budget Reconciliation Act of 1990. The LRM includes sample plan language covering the following areas: Code section 408(k)(2): Participation requirements. Code sections 408(k)(3) and (5): Definite written allocation formula (who shares and how much). Treasury Regulation section 1.415-9(b)(4): Limitation on participation by employers who terminate defined benefit plans. Code section 408(k)(4): Withdrawals must be permitted. Code section 408(k)(7)(B): Definition of compensation. We will keep you informed of further developments. David J. Mangefrida Jr. Assistant Counsel - Tax Attachment