

MEMO# 2240

October 2, 1990

REVISED FORM 5305A-SEP

October 2, 1990 TO: PENSION MEMBERS NO. 37-90 RE: REVISED FORM 5305A-SEP

Attached is a copy of revised Form 5305A-SEP, Salary Reduction and Other Elective Simplified Employee Pension-Individual Retirement Accounts Contribution Agreement (Under Section 408(k) of the Internal Revenue Code) and accompanying instructions which were just released by the IRS. Form 5305A-SEP is used by an employer with 25 or fewer employees to permit employees to make elective deferrals to a SEP. The form is not filed with the IRS. The form is substantially identical to the earlier version which was revised in October 1987. However, the updated form references the annual adjustment of the \$300 minimum compensation threshold for eligibility purposes on page 1 and adds Question and Answer 13, regarding participant transfer of contributions before a SEP satisfies its annual ADP test, on page 5. Copies of Forms 5305A-SEP can be obtained from the IRS Forms Distribution Center at 1-800-424-3676. We will keep you informed of further developments. W. Richard Mason
Assistant General Counsel Attachment

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.