

MEMO# 9163

August 13, 1997

REQUEST FOR INFORMATION: SECOND SIMPLE PLAN SURVEY

1 See Institute Memorandum to Pension Committee No. 9-97, Pension Operations Advisory Committee No. 10-97 and Ad Hoc Committee On SIMPLE Plans, dated April 22, 1997. 2 See Institute Memorandum to Pension Members No. 19-97, Pension Operations Advisory Committee No. 12-97 and Ad Hoc Committee On SIMPLE Plans, dated May 16, 1997. [9163] August 13, 1997 TO: PENSION COMMITTEE No. 30-97 PENSION OPERATIONS ADVISORY COMMITTEE No. 30-97 AD HOC COMMITTEE ON SIMPLE PLANS SIMPLE SURVEY RESPONDENTS RE: REQUEST FOR INFORMATION: SECOND SIMPLE PLAN SURVEY

_____ Last spring, the Institute conducted a survey of first quarter, 1997 SIMPLE plan and account establishment.¹ The survey results were useful to the Institute when advocating regulatory and legislative clarification of SIMPLE rules. For instance, the recently enacted Taxpayer Relief Act of 1997 contains several technical corrections to last year's SIMPLE legislation, most notably a retroactive statutory resolution to the self-employed/partnership matching contribution issue, which was explained in a prior memorandum.² SIMPLE plan data is also extremely useful to the Institute as it develops future policy positions, particularly as legislators and policymakers address issues pertaining to small employer pension coverage, which promise to be the subject of Congressional hearings this fall. To develop policy positions on small employer coverage, we need to measure the extent of the SIMPLE program's success in increasing coverage among small employers. Hence, this second survey. We again seek your assistance in assembling data on the SIMPLE plan marketplace. The attached questionnaire is identical to the first survey, with the exception of two new items. The new items seek information to determine whether the SIMPLE is extending retirement plan coverage versus replacing pre-existing plans and whether the 25% penalty tax on premature withdrawals is successfully limiting account withdrawals. Based on data available to you as of July 31, 1997, please complete the attached brief questionnaire and fax it to the undersigned by Friday, September 5, 1997. As with our first SIMPLE survey, all firm-specific information will be kept confidential and only aggregate data disseminated publicly. Russell G. Galer Assistant Counsel - Pension Enclosure