



# employee plans news

PROTECTING RETIREMENT BENEFITS THROUGH EDUCATING CUSTOMERS

Internal Revenue Service  
Tax Exempt and Government  
Entities Division

A Publication of Employee Plans

## page 2

Check Out the New "Retirement Plans" Web Page

## pages 2

SEP Contributions—What Problem?

## page 2

Revised Forms and Publications Are Now Available

## page 3

Great Lakes Customer Satisfaction Survey Project

## page 3

IRS and ASPA Sponsor Eleventh Annual Employee Benefits Conference

## page 4

Significant Employee Plans Published Guidance

## page 5

Calendar of EP Benefits Conferences

## page 6

Great Lakes Benefits Conference

## page 6

Northeast Employee Benefits Conference

## page 7

Employee Plans Announces Creation of New Technical Clearinghouse

## page 7

Calling TE/GE Customer Account Services

## Need Guidance on Amending Your Plan? Just Visit Our Website

The February 28, 2002 deadline has passed. The Internal Revenue Service reminds employers and plan administrators that have not yet amended their retirement plans to make necessary amendments by the end of the remedial amendment period deadline. The February 28th deadline generally applied to all calendar year plans, other than pre-approved (i.e., master and prototype and volume submitter plans). For non-calendar year plans, the deadline is generally the last day of the 2001 plan year. For pre-approved plans, the deadline is generally not before December 31, 2002. Plan amendments can be submitted to the IRS in proposed form, provided the plan sponsor applies for a determination letter by the deadline.

As part of our continuing effort to educate customers, the Internal Revenue Service has published numerous items of guidance. This guidance, which is summarized in the paragraphs below, can easily be obtained by accessing our website.

The following articles were published in the Fall 2001 [edition](#) of *Employee Plans News*.

- *Determination Letter Applications for Merged Plans* elaborates on the different approaches to amending merged plans for GUST and the simplified procedures for submitting GUST determination letter applications for two or more merged plans.
- *When is an Employer's Plan "Identical" to a Volume Submitter Specimen Plan* clarifies the prohibition on amendments to an approved volume submitter or master or prototype plan, except to choose among options permitted under the document.
- *Individualized Amendment of an M&P or Volume Submitter Plan Will Not Make the Plan Ineligible for the Extended GUST Remedial Amendment Period under Rev. Proc. 2000-20* discusses the impact of individually designed amendments on a volume submitter or master or prototype plan that has qualified for the extended GUST remedial amendment period.
- *Should I Restate My Plan?* describes the criteria under which certain defined contribution plans can be amended for GUST by add-on amendments alone.

Our website also contains forms, frequently asked questions and other information valuable to anyone interested in the Determination Letter Program.



**HOW TO SUBSCRIBE  
TO FUTURE EDITIONS  
OF EMPLOYEE PLANS  
NEWS?**

.....

**Future editions of  
*Employee Plans News*  
will be issued only  
through IRS e-mail.  
For your free  
subscription, please  
go to [www.irs.gov/ep](http://www.irs.gov/ep)  
and register on-line.  
All editions of the  
*Employee Plans News*  
will be archived at  
[www.irs.gov/ep](http://www.irs.gov/ep).**

## Check Out the New “Retirement Plans” Web Page

On January 28, 2002, the Employee Plans Corner became the Retirement Plans web page of the redesigned IRS.GOV web site. The Retirement Plans web page can now be accessed from the main page of the [www.irs.gov](http://www.irs.gov) web site. You can still reach our web page directly at [www.irs.gov/ep](http://www.irs.gov/ep).

The current redesigned Retirement Plans pages are still being developed. Additional work needs to be completed on the “Contents” and “Topics” sections. Any suggestions or comments are welcomed and can be e-mailed to [RetirementPlansQuestions@irs.gov](mailto:RetirementPlansQuestions@irs.gov).

Note: If you are having problems opening a PDF file on our web site, you might want to right click on the hyperlink, select “save target as” and save the document to your hard drive.

---

## SEP Contributions—What Problem?

The Service has received numerous customer service inquiries from plan sponsors and representatives who thought that section 616 of EGTRRA increased the contribution limits to a SEP from 15% of compensation to 25%. This misconception is easy to understand, as section 616 of EGTRRA did amend Code section 404(h) to increase the deductible limit on employer contributions to a SEP from 15% of compensation to 25%; however, Code section 402(h)(2), which limits the amount of SEP contributions that are excludible from a participant’s gross income to the lesser of 15% of compensation or the dollar limitation of section 415(c)(1)(A), was unaffected by EGTRRA. Not to worry, the President recently signed the Job Creation and Worker Assistance Act of 2002, which included a technical correction amending section 402(h)(2) to increase the limit for SEPs to 25%. For procedures on updating your SEP document to include this and other recent changes in requirements, see [Rev. Proc. 2002-10, 2002-4 I.R.B. 401](#).

---

## Revised Forms and Publications Are Now Available

[Form 8717](#), User Fee for Employee Plan Determination Request (Rev. February 2002) is now available on the IRS Web site.

In addition, informational copies of the 2001 [Form 5500](#), Annual Return/Report of Employee Benefit Plan and [Form 5500-EZ](#), Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan and related schedules are also posted. Check the Department of Labor’s Web site at [www.efast.dol.gov](http://www.efast.dol.gov) for additional information concerning the processing system, electronic filing, software, and “non-standard” filings.

[Publication 571](#), Tax-Sheltered Annuity Plans (403(b) Plans) (Rev. January 2002) has been revised and is available on the IRS Web site.

Paper copies of these materials also may be obtained by calling 1-800-TAX-FORM (1-800-829-3676).

## USING

[RetirementPlanQuestions@irs.gov](mailto:RetirementPlanQuestions@irs.gov)

### Please use the

[RetirementPlanQuestions@irs.gov](mailto:RetirementPlanQuestions@irs.gov)

### for the following:

- **Comments about Employee Plans News and/or your suggestions for future articles.**

- **For retirement plans technical and procedural questions (see list of applicable issues in article "Calling TE/GE Customer Account Services" in this issue).**

- **Comments/questions on IRS' Employee Plans Programs (e.g., Determinations, Examinations, Voluntary Compliance, Customer Education).**

### When using

[RetirementPlanQuestions@irs.gov](mailto:RetirementPlanQuestions@irs.gov),

**please provide your phone number in your e-mail message so that we can respond to your question(s) by phone.**

**For other questions (such as retirement income questions), please see the HELP page at [www.irs.gov](http://www.irs.gov) (IRS Digital Daily).**

## Great Lakes Customer Satisfaction Survey Project

The EP Great Lakes Area Office formed a Customer Satisfaction Survey Project Team to identify product-based solutions to improve aspects of the determination and examination processes that were identified as concerns by the Customer Satisfaction Survey results. The teams included eight external stakeholders (EP practitioners) representing various organizations. The recommendations included in the draft report were validated with stakeholders during an interactive discussion held at the 1st Annual Joint TE/GE Council Conference in Cincinnati (October 2001). A presentation on the recommended solutions was made to the National EP Partnering Council on Nov. 6, 2001 and plans for a strategic pilot were approved. Most of the original Team members have agreed to participate on the Phase II EP Great Lakes Customer Satisfaction Pilot Team.

As part of our pilot, EP Great Lakes is partnering with EP Customer Education and Outreach and EP Rulings and Agreements with respect to product development. Potential products include "Navigating the EP Determination Process"; a publication on employee plans examinations; and a "Desk Guide/Tool Kit for an Efficient and Effective EP Examination". The team decided that interactive web-based products with links would be the best format for most of the products because they are easily updated and convenient. It was also suggested that a desk guide/toolkit might be best in CD form with hyperlinks to the web.

## IRS and ASPA Sponsor Eleventh Annual Employee Benefits Conference on May 16 and May 17, 2002

The Employee Plans Mid-Atlantic Area Office of the Internal Revenue Service, Tax Exempt and Government Entities (TE/GE) and the American Society of Pension Actuaries (ASPA) is sponsoring the Eleventh Annual Employee Benefits Conference on Thursday, May 16 and Friday, May 17, 2002 for professionals who specialize in the employee benefits area. The conference will provide an excellent opportunity to network with other professionals from Pennsylvania, New Jersey, Washington, D.C., Virginia, Delaware, Maryland, North Carolina, and South Carolina.

The conference (to be held at the Double Tree Hotel, Broad and Locust Streets, Philadelphia, PA) will facilitate the exchange of ideas and information relating to employee benefit issues between practitioners and representatives from government agencies. It will include speakers and panelists from the Internal Revenue Service and the Department of Labor. The agenda will include discussions on plan design after EGTRRA, IRS audit and correction programs, current issues with Form 5500, 401(k) issues, and other current topics. Along with the opportunity to ask questions to the Internal Revenue Service representatives during the conference, other representatives of the Service will station booths outside the conference area to handle one-on-one discussions on determination and examination issues.



The following people contributed to this edition of the *Employee Plans News*

.....

Richard Ervi  
Michael Fassino  
Jim Flannery  
Douglas Jordan  
Don Kieffer  
Peter McConkey  
Gary Mitchell  
Mark O' Donnell  
Nancy Payne  
Sharon Polo  
Wiley Ransom  
Mike Rubin  
John Schmidt  
Mikio Thomas

## Significant Employee Plans Published Guidance

(December 2001- February 2002)

### Revenue Rulings

[Rev. Rul. 2001-62, 2001-53 I.R.B. 632](#)

This revenue ruling contains updated mortality tables under § 417 of the Code and model plan amendments.

### Notices

[Notice 2001-84, 2001-53 I.R.B. 642](#)

This notice contains 2002 pension cost-of-living adjustments, etc., and was first released as IR-2001-115 on 12/11/2001.

[Notice 2002-1, 2002-2 I.R.B. 283](#)

This notice addresses the EP determination letter user fee provisions described in section 620 of EGTRRA.

[Notice 2002-2, 2002-2 I.R.B. 285](#)

This notice describes the effective date of new §409(p) of the Code and dividend elections under §404(k) of the Code.

[Notice 2002-3, 2002-2 I.R.B. 289](#)

This notice obsoletes Notice 2000-11 and provides two safe harbor explanations with respect to distributions from certain retirement plans.

[Notice 2002-4, 2002-2 I.R.B. 298](#)

This notice provides guidance with respect to sections 636(a), 646, and 631 of EGTRRA.

[Notice 2002-7, 2002-6 I.R.B. 489](#)

This notice pertains to certain pension plan funding aspects of the Victims of Terrorism Tax Relief Act of 2001.

### Announcements

[Announcement 2002-1, 2002-2 I.R.B. 304](#)

This announcement describes the availability of a draft Form 8717 that may be used to implement §620 of EGTRRA.

[Announcement 2002-12, 2002-8 I.R.B. 553](#)

This announcement contains a list of approved nonbank trustees and nonbank custodians.

### Regulations

[REG-142499-01, 66 Fed. Reg. 53555 \(Oct. 23, 2001\), 2001-45 I.R.B. 476](#)

These proposed Income Tax Regulations under § 414(v) of the Code pertain to whether catch-up contributions can be made to one of the types of plans enumerated in the proposed regulation.

### Revenue Procedures

[Rev. Proc. 2002-4 - 2002-1 I.R.B. 127](#)

This revenue procedure is the basic ruling and information letter procedure for the EP and EO functions.

[Rev. Proc. 2002-5 - 2002-1 I.R.B. 173](#)

This revenue procedure is the basic technical advice procedure for the EP and EO functions.

[Rev. Proc. 2002-6 - 2002-1 I.R.B. 203](#)

This revenue procedure is the basic determination letter procedure for the EP function.

[Rev. Proc. 2002-8 - 2002-1 I.R.B. 252](#)

This revenue procedure is the basic user fee procedure for the EP and EO functions.

[Rev. Proc. 2002-10 - 2002-4 I.R.B. 401](#)

This revenue procedure establishes a program for the updating of all IRAs, SEPs and SIMPLEs.

## Calendar of EP Benefits Conferences

### Upcoming Conferences:

Name	Date(s)	Location	Non-IRS Co-Sponsor(s)	For Further Information, Please Contact
<b>Great Lakes Benefits Conference</b>	05/2/02-05/03/02	Chicago, IL	American Society of Pension Actuaries (ASPA) & other cooperating sponsors	<a href="http://www.aspa.org">www.aspa.org</a> or ASPA Meeting Department (703) 516-9300
<b>11<sup>th</sup> Annual Employee Benefits Conference</b>	05/16/02-05/17/02	Philadelphia, PA	American Society of Pension Actuaries (ASPA)	<a href="http://www.aspa.org">www.aspa.org</a>
<b>Northeast Benefits Conference</b> (2 Locations)	06/13/02 06/14/02	Natick, MA (Boston) White Plains, NY	American Society of Pension Actuaries (ASPA) & Northeast Area's Pension Liaison Group	<a href="http://www.aspa.org">www.aspa.org</a>
<b>15<sup>th</sup> Annual Cincinnati Employee Benefits Conference</b>	06/20/02-06/21/02	Cincinnati, OH	Department of Labor & Cincinnati Bar Association	Details in Spring 2002 edition of <i>Employee Plans News</i>

### Recent Conferences:

Name	Date(s)	Location	Non-IRS Co-Sponsor(s)	For Information, see
<b>Los Angeles Benefits Conference</b>	01/31/02-02/01/02	Los Angeles, CA	American Society of Pension Actuaries (ASPA) & other cooperating sponsors	
<b>SWBA/IRS 12<sup>th</sup> Annual Employee Benefits Conference</b>	10/22/01-10/23/01	Dallas, TX	SouthWest Benefits Association	EP Benefits Conferences Calendar at <a href="http://www.irs.gov/ep">www.irs.gov/ep</a>
<b>Northeast Benefits Conference</b> (2 Locations)	06/14/01-06/15/01	Boston, MA White Plains, NY	American Society of Pension Actuaries (ASPA) & Northeast Area's Pension Liaison Group	
<b>14<sup>th</sup> Annual Cincinnati Employee Benefits Conference</b>	06/07/01-06/08/01	Cincinnati, OH	Department of Labor & Cincinnati Bar Association	
<b>10<sup>th</sup> Annual Employee Benefits Conference</b> (sponsored by Gulf Coast and Mid-Atlantic Areas)	05/30/01-05/31/01	Baltimore, MD	Employee Benefits Conference, Inc.	

## Great Lakes Benefits Conference

The Internal Revenue Service (TE/GE, Employee Plans Great Lakes Area) and the American Society of Pension Actuaries (ASPA) are jointly sponsoring their annual Great Lakes Benefits Conference. This two-day conference will be held at the Hyatt Regency McCormick Place, Chicago, Illinois on May 2 and 3, 2002. There are also over 20 cooperating sponsors assisting with this key event. This conference is an opportunity for practitioners, plan sponsors and plan administrators to meet and discuss employee benefit issues with colleagues, as well as local and national government agency representatives, involved in benefits regulation, litigation, enforcement efforts and voluntary compliance initiatives. It also provides an excellent forum in which to earn continuing education credits.

The conference will feature panels of prominent speakers from both the governmental and private sectors. The topics presented at the conference will include: IRS Regulatory and Legislative Updates; EGTRRA and GUST Amendments; Determination Letter Update; DB and DC Plan Terminations; DOL Audits; 401(k) Design Post EGTRRA; Cross-Testing; Form 5500, and Schedules A, B and C; Designing and Administering 457 Plans and 403(b) Update; IRS Voluntary Compliance Programs; Secrets of a Successful EP Audit; IRS and DOL Litigation Review; DB Design Opportunities; 401(k) Testing Issues; Funding Vehicles for Qualified and Non-Qualified Plans; "Are you a Fiduciary? Now What?"; and "Ask the Experts" Question and Answer Session.

---

## Northeast Employee Benefits Conference

The Northeast Employee Benefits Conference will once again be held in two locations this year. On June 13, 2002, the conference will be held in the Boston area at the Crowne Plaza Natick in Natick, MA. On June 14, 2002, the conference will be held at the Crowne Plaza in White Plains, NY. The agenda is identical for both locations. These two sites provide pension professionals from New York and New England the opportunity to attend a more conveniently located conference.

The Northeast Employee Benefits Conference is co-sponsored by the Northeast Employee Plans Area of IRS, the Northeast Area's Pension Liaison Group, and the American Society of Pension Actuaries (ASPA). The conference educates attendees about current regulatory, legislative, and administrative topics. The conference also provides participants an opportunity to discuss employee benefit issues with colleagues as well as local and national government employees from the Internal Revenue Service, Department of Labor and PBGC.

This year's agenda includes discussions on EGTRRA, Plan Amendments, Issues Facing the Private Pension Industry, PBGC Update, Investment Education/Advice, DOL Fiduciary Compliance Process, Latest Non-EGTRRA Developments at IRS, Cash Balance Plans, Benefits in Recession / Distress Situations, IRS/DOL/PBGC Plan Audits, Professional Conduct, and other current topics.

For more information on the Great Lakes, Mid-Atlantic or Northeast Benefits Conference, contact the ASPA Meetings Department at (703) 516-9300 or [e-mail](#) ASPA or visit the [ASPA website](#).



## CONTACTING EMPLOYEE PLANS

.....  
**The *Employee Plans News* welcomes your comments about this edition and/or your suggestions for future articles.**

### Send comments/ suggestions to:

■ EP Customer Education & Outreach  
T:EP:CEO Room 4C3  
1111 Constitution Ave., NW  
Washington, DC 20224

■ FAX: (202) 283-9525

■ E-mail:  
■ [RetirementPlanQuestions@irs.gov](mailto:RetirementPlanQuestions@irs.gov)

**For EP Customer Assistance**  
(for retirement plans technical & procedural questions):

■ Please call (877) 829-5500

■ E-mail:  
■ [RetirementPlanQuestions@irs.gov](mailto:RetirementPlanQuestions@irs.gov)

*Please provide your phone number in your e-mail message so that we can respond to your question(s).*

**For retirement income questions such as questions on IRAs, ROTH IRAs, Required Minimum Distributions:**

■ Please call (800) 829-1040

**For further Employee Plans Information:**

■ Please go to the Retirement Plans Web Page (Digital Daily) at:  
[www.irs.gov/ep](http://www.irs.gov/ep)

## Employee Plans Announces Creation of New Technical Clearinghouse

Perhaps the single greatest task facing the Tax Exempt and Government Entities Division is beginning the review and evaluation process for upwards of 100,000 applications for determination letters. For most employers, the remedial amendment period for implementing changes in the law as a result of the "GUST" legislation package is upon us: let the onslaught begin!

Rendering top quality service even during a crunch period such as this is a challenge. One way that we will meet it is to make a resource available to our personnel for getting technical assistance while reviewing determination letter submissions. The resource is the newly created Technical Clearinghouse, a unit of four Resource Specialists dedicated to providing answers to questions.

The objective of the Clearinghouse is to provide technical assistance to specialists who encounter issues with plan language, information on determination letter submissions and other complex aspects of the Employee Plans rulings and agreements process. The four Clearinghouse members are available for contact on an "as needed" basis. Each has been assigned a geographically distinct region of the country as a sphere of responsibility.

The Clearinghouse will not only provide technical support, but also strive to maintain unanimity of interpretation on issues most frequently encountered. It is thus a windfall both to our specialists and to overall enhanced customer service.

There is one caveat. The Clearinghouse is an *internal* resource; it is for use by our specialists. Practitioners, taxpayers and our other external customers are advised that the members of the Clearinghouse will not generally be responding to direct requests for their assistance from the public.

For these and other Employee Plans customer inquiries, please call IRS Customer Account Services for Employee Plans toll free at 877-829-5500.

---

## Calling TE/GE Customer Account Services (for Retirement Plan Questions)

The TE/GE Customer Account Services (CAS) call site answers questions regarding Employee Plans, Exempt Organizations, Indian Tribal Governments, Tax Exempt Bonds and Federal, State and Local Governments. Assistance is available Monday through Friday from 8:00 A. M. to 6:30 P.M. Eastern time at 1-877-829-5500.

The Employee Plans issues handled by TE/GE CAS include questions regarding:

- Qualified plans under IRC 401(a), such as:
  - Profit Sharing Plans
  - Money Purchase Pension Plans
  - Defined Benefit Plans
  - ESOP's (Employee Stock Ownership Plans)
  - Cash Balance Plans
  - Target Benefit Plans

- Other employer sponsored plans, such as:
  - SIMPLE-IRAs
  - SEP-IRAs
  - Tax Sheltered Annuities (403(b) plans)
  - Deferred Compensation Plans for State and Local Governments and Tax Exempt Organizations (457 Plans)
- The Application for a Determination Letter for an Employee Benefit Plan Form 5300, 5307, 5309, 5310, or 6406
- The annual return for an Employee Benefit Plan: Form 5500 and Form 5500-EZ
- Excise taxes related to Employee Benefit Plans: Form 5330
- Unrelated Business Income generated by the trust of a plan: Form 990-T
- Various laws which had an impact on employee plans, including: GUST; EGTRRA; CRA.

The following issues are not handled by TE/GE CAS (please use the noted contact information for questions on such issues):

Issue	Contact Information
Traditional Individual Retirement Arrangements (IRAs)	1-800-829-1040
ROTH IRAs	1-800-829-1040
Taxability of Distributions	1-800-829-1040
Cafeteria plans (also known as FSA accounts, Flexible Spending Accounts, and 125 plans), other than those related to Form 5500	
COBRA continuation coverage	<ul style="list-style-type: none"> <li>• Employers can call 1-202-622-6080 to leave their name and phone number on a voice mail system for a call back.</li> <li>• All others are to write to the COBRA Coordinator. The address is: Internal Revenue Service COBRA Coordinator 1111 Constitution Ave., NW Washington, DC 20224</li> </ul>
COBRA Notice and Election Issues	<a href="http://www.dol.gov/dol/pwba">http://www.dol.gov/dol/pwba</a>
HIPPA Issues	1-866-275-7922
Medical Savings Accounts	1-800-829-1040
Withholding	<p>Martinsburg Computing Center has a toll-free number to assist customers in the completion of Form 1099 (any in the series) or Form W-2. Their phone number is: 1-866-455-7438. Their hours of operation are Monday through Friday from 8:30am to 4:30pm Eastern time. For additional information refer to <a href="#">Announcement 2001-107</a>.</p> <p>Note: They only assist payors. They will not help customers who have not received 1099 or W2, or those who received an incorrect 1099 or W-2; these individuals should contact 1-800-829-1040.</p>
Welfare Benefit Plans (such as health plans, employer sponsored vision plans, etc.)	<p>Note: See the DOL website for information that will assist employers and employee benefit plan practitioners in understanding and complying with the requirements of ERISA as it applies to the administration of welfare benefit plans.</p> <p><a href="http://www.dol.gov/dol/pwba/">http://www.dol.gov/dol/pwba/</a>; 1-866-275-7922</p>
EFAST Automated 5500 Process	<a href="http://www.efast.dol.gov/">http://www.efast.dol.gov/</a> ; 1-866-463-3278