

# Retirement News for Employers

Helping Business Owners with Retirement Plans

Internal Revenue Service Tax Exempt and Government Entities

Volume 4, Spring 2007

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## Promoting Retirement Security in America

In a speech at the Great Lakes Benefits Conference in Chicago, on May 3, 2007, Steven T. Miller, IRS Tax Exempt and Government Entities Commissioner, discussed what an aging population, a disappearing savings rate, and a continued shift from defined benefit to defined contribution plans means to how IRS "promotes and protects America's retirement security."

Mr. Miller cited some sobering trends related to retirement plans:

- Only 43 percent of private sector workers are covered by a plan, and it's estimated that only 60 percent of workers over 40 eligible to do so actually participate in a 401(k).
- Of those who do participate in a 401(k) plan, the average account balance for someone age 60 or above was \$141,000. Such a balance will support an annual annuity of \$12,203 for a male who retires at 65 and an annuity of \$11,172 for a female. Even with Social Security, this does not provide a sufficient retirement income for most individuals.
- GAO reports that only 44 percent of families nearing retirement own an IRA, and among these, the median balance was \$60,000.
- GAO notes that between 2000 and 2005 the personal savings rate was 1.3 percent, one sixth of the average since World War II. And in 2006, it was a negative 1 percent.
- Defined benefit plans have declined in number from 148,000 in 1980 to 47,000 in 2003. During the same period, defined contribution plans (such as 401(k) plans) have increased from 341,000 to 653,000.



*How are we doing in establishing plans and setting aside the money to support us in our retirement? Here it is in a nutshell: We are getting old and we aren't saving.*

Mr. Miller further stated, "It's estimated that 7,918 people per day turned 60 in 2006. As they retire, will they have adequate retirement income? And who will be responsible to see that they do? More and more, the answer is 'the participant'... By and large, our focus in the past has been on plans, plan sponsors, their representatives and the professional employee benefits community. We are going to continue that work, but we also need to reach out, deliberately, to plan participants, to those who have opened IRAs, and to retirees. We need to consider what we can do to provide them with practical information and education about a wide range of issues."

"The [Employee Plans office](#) at IRS has responsibility for an immense and important sector, one that is growing in both size and importance as retirement assets increase, driven by favorable tax policies, and as baby boomers move toward the exit doors of the workplace."

"Employee Plans exists to ensure that the tax expenditure in this area - \$104 billion per year - contributes to the retirement security of America's workers. EP ensures that this expenditure is consistent with Congressional intent by enforcing the rules (1) that govern participation and non-discrimination, (2) that require contributions to stay within legislated limits and be reported accurately, (3) that require contributions to be appropriately applied to provide retirement benefits for participants, and (4) that require assets to remain in [a] retirement solution."

The Retirement Plans Community web page has information for our three customer groups, [Benefits Practitioners](#), [Plan Participants/Employees](#) and [Plan Sponsors/Employers](#). We continue to add new information to our web page. We welcome your input on how we can better improve our web page and make it more useful to our users in "Promoting Retirement Security in America." Please submit your comments to [RetirementPlanComments@irs.gov](mailto:RetirementPlanComments@irs.gov).

Visit the [Retirement Plans Community web page](#) to view a full transcript of [Mr. Miller's speech](#). ■

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## Final 415 Regulations Published

[Final Income Tax Regulations under section 415](#) of the Internal Revenue Code were published on April 5, 2007. These regulations provide an extensive update of the regulations under section 415 of the Internal Revenue Code that were originally issued in 1981 regarding limitations on benefits and contributions under qualified plans and certain other retirement plans. Generally, these regulations apply to limitation years beginning on or after July 1, 2007.

For a brief overview of the material addressed in the regulations see the [April 2007 Special Edition](#) of the *Employee Plans News*. ■

## Critical FewPoints...By Monika Templeman (Director, EP Examinations)

Hello everybody. Allow me to introduce myself. My name is Monika Templeman and I have been selected as the new Director, Employee Plans Examinations. I accept this position with great enthusiasm and I am looking forward to a successful partnership with all of you to preserve, protect and enhance the private retirement system in America. I plan on using the ideas and continuing the initiatives started by my predecessor, as well as implementing my innovations to make the Examinations Program more productive and less taxing to my staff and to you. Continue to visit here for future editions to read about the ideas I have for the Examinations Program.

I will keep the lines of communication open to enable you to contact me to share your thoughts about my ideas and to share your own ideas. Please e-mail me at [RetirementPlanComments@irs.gov](mailto:RetirementPlanComments@irs.gov). I look forward to hearing from you.

The last “Critical FewPoints” article was devoted to Research and Analysis. In this issue, I would like to share with you the latest on another “Critical Few,” Focused Examinations.

You may have heard that we’re using an approach called Focused Exam Methodology or Focused Exams. You may have also experienced a Focused Exam in a recent audit. Why are we using this approach? Why do we consider this methodology highly successful? Well, Focused Examinations have been in place for about 18 months. We look at our market segments and narrow the scope of what we initially ask for based on that market segment so we are able to reduce the burden of an examination and expand our coverage. We also zero in on the issues we think are important or possible areas that could be non-compliant in that market segment. Upon the agent’s visit for the examination, if he or she finds good creditability, finds no surprises from the initial interview, and finds the internal controls to be good, then we most likely will not have a need to expand our audit beyond the items initially selected to examine. If we see problem areas, obviously we could always expand to be able to encompass those areas to ensure the plan is in good compliance. In the past 18 months, we have found that the Focused Exam Methodology equates to a less burdensome, more effective way to leverage resources, and partner with you in compliance to make sure pension plans are what they say they are - excellent vehicles for retirement.

For those of you that have been selected for an examination, we provide you with two great tools on [www.irs.gov/ep](http://www.irs.gov/ep) to assist you in preparing for the examination. Both items can be found on my “Examinations/Enforcement” page; the link can be found in the left-hand side of the [Retirement Plans Community page](#). First, visit the [EP Compliance Trends and Tips](#) page. In the “tips” section, you will find the “Top Ten Tips to Prepare for an Efficient Audit.” It explains how to prepare for an EP examination and what should be readily available for the examination. Second, visit the [EP Examination Process Guide](#). The guide clarifies the various steps in the examination process and introduces resources available to you.

Thanks for taking the time to read my message. Feel free to share this article with others who may not already subscribe to the newsletter or to share your thoughts through the e-mail address mentioned above. ■

## The Fix Is In: Common Plan Mistakes

In each issue of the *Retirement News for Employers* we present a common mistake that occurs in retirement plans. We describe the problem, how it happened, how to fix it and how to lessen the probability of the problem happening again. In this edition we will be focusing on the **“Failure to Timely Adopt Interim Amendments.”**

### The Problem

The Commissioner establishes deadlines for plans to be amended for legislative changes to the Internal Revenue Code. After the passage of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), the IRS adopted a two-tiered approach on this issue.

First, the IRS generally requires an interim amendment to incorporate a law change to be adopted by the later of:

- (1) The due date (including extensions) for filing the income tax return for the employer’s taxable year that includes the date in which the law change first became effective; or
- (2) The last day of the plan year that includes the date in which the law change first became effective.

Second, if the plan sponsor timely adopted such an amendment in good faith, then the plan sponsor is able to take advantage of an extended deadline to adopt amendments required to ensure that the plan document complied with the applicable law change. Thus, if interim amendments were adopted timely and in good faith, but did not fully comply with the requirements of the applicable law change, then the plan has an extended period of time (typically referred to as the “remedial amendment period”) to adopt amendments necessary to ensure compliance with the applicable law change.

If the plan sponsor does not timely adopt interim amendments then:

- (1) The plan document will not be timely amended for the law change that requires such amendment, resulting in the plan document no longer satisfying the qualification requirements of the Internal Revenue Code; and
- (2) The plan sponsor will lose the use of the extended remedial amendment period to adopt amendments that may be required.

Interim amendments include one or more of the following:

- (1) The good faith EGTRRA amendments described in [Notices 2001-42](#) and [2005-5](#);
- (2) Amendments required for compliance with the final and temporary regulations under section 401(a)(9), relating to minimum distributions, as described in [Rev. Proc. 2002-29](#) (as modified by [Rev. Proc. 2003-10](#)); and
- (3) Interim amendments described in section 5 of [Rev. Proc. 2005-66](#).

An interim amendment does not include any amendment adopted to correct a failure to operate the plan in accordance with the plan’s terms. For example, if a plan provides for a 6-year graded

vesting schedule and the plan operated on a 3-year cliff vesting schedule, a corrective amendment providing for a 3-year cliff vesting schedule is not an interim amendment.

In addition, an interim amendment does not include any amendment adopted to comply with legislation for which the remedial amendment period has already expired. Thus, an amendment adopted to bring a plan into compliance with GUST or any other previous legislation is not a good faith or interim amendment.

## The Fix

If the failure to adopt interim amendments timely is discovered before the plan is submitted to the Service for a determination letter application, and if the plan is not the subject of an Employee Plans examination, the failure may be corrected under the Voluntary Correction Program (VCP) described in [Rev. Proc. 2006-27](#).

Generally, if a plan is correcting one or more failures under VCP, the fee is determined by the fee schedule under section 12.02 of Rev. Proc. 2006-27. However, if the sole failure being corrected for the plan under VCP consists of the failure to adopt interim amendments, then the required fee is \$375, regardless of the size of plan, number of amendments or number of years involved (see section 12.03 of Rev. Proc. 2006-27).

For a VCP failure that consists solely of the failure to adopt interim amendments, the application should be made using Appendix F of Rev. Proc. 2006-27. Appendix F is both a submission and, when approved by the IRS, a compliance statement that sets forth the IRS' enforcement resolution with respect to the failure being corrected. Appendix F specifies the information that needs to be submitted for it to constitute a complete application. If the information is satisfactory, the IRS will sign the compliance statement and return it to the plan sponsor and/or authorized representative. The compliance statement does not express an opinion on the content of the amendments, but it signifies the Service's agreement to treat the interim amendments as if they were adopted timely for the purpose of making the remedial amendment period available to the plan.

The combined application and compliance statement is designed to be part of an expedited process. Often these submissions are worked through completion without being assigned to individual agents. To facilitate the expedited response, it is critical that all of the information required by Appendix F is submitted in the format provided. Modifications to the format increases the time it takes to ensure that sufficient information was submitted to issue a compliance statement and increases the odds that information may be missing.

### CONTACTING EMPLOYEE PLANS

The *Retirement News for Employers* welcomes your comments about this issue and/or your suggestions for future articles.

Send comments/suggestions to:

EP Customer Education & Outreach  
SE:TEP:CEO  
1111 Constitution Avenue, N.W., PE-4C3  
Washington, D.C. 20224

or FAX (202) 283-9525

or E-Mail: [RetirementPlanComments@irs.gov](mailto:RetirementPlanComments@irs.gov)

**For EP Taxpayer Assistance:**

**For retirement plans technical and procedural questions:**

Please call (877) 829-5500

Or visit the Contact EP/Services section at [www.irs.gov/ep](http://www.irs.gov/ep).

**For questions relating to retirement income, IRAs, Roth IRAs, educational IRAs, medical savings accounts and section 125 cafeteria plans:**

Please call (800) 829-1040

For further **Employee Plans Information:** Go to [www.irs.gov/ep](http://www.irs.gov/ep).

Examples of errors in prior submissions include the following:

- Missing basic information, such as a plan name, plan number or employer identification number;
- Changing the Appendix F format that eliminates key sections;
- Plan sponsor's representatives erroneously signing the "Plan Sponsor's Representations" section of the Appendix F instead of the plan sponsors;
- Failing to include copies of the signed plan amendments adopted to correct the failure;
- Incorrectly completing and signing Forms 2848 (Power of Attorney and Declaration of Representative) or 8821 (Tax Information Authorization);
- Failing to include a copy of the most recently filed Form 5500-series returns;
- Submitting Appendix F on either the plan sponsor's or power of attorney's letterhead.

It is expected that the submission follow the format provided under Appendix F without modification. It is also critical that the Appendix F be properly completed and that information requested under Appendix F be provided. Incomplete submissions may be returned to the applicant without further review. These errors can be easily prevented!

### **Making Sure It Doesn't Happen Again**

Employers need to have a system in place to ensure that their plan is timely amended for all new laws. A review of all current law changes should be made annually. Law changes and their compliance dates are widely advertised in government and practitioner publications.

However, keep in mind that, despite all of your good efforts, mistakes can happen. In that case, the IRS can help you correct the problem and retain the benefits of your qualified plan. ■

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## **Subscribe to a *FREE* IRS Newsletter for Businesses**

The IRS has started a *FREE*, news service, *e-News for Small Businesses*. Distributed every Wednesday, it brings timely, useful tax information right to your computer, including, but not limited to:

- Important, upcoming tax dates
- What's new on the IRS web site
- Reminders and tips to assist businesses with tax compliance
- IRS News Releases and special IRS announcements.

*e-News'* convenient format will put IRS tax information at your fingertips. "Useful Links" brings you quickly to some of the most useful information on IRS.gov for large and small businesses and the self-employed.

To start your *FREE* subscription to *e-News*, just go to the [Subscribe to e-news for Small Businesses web page](#) on [IRS.gov](#), type in your e-mail address and submit. ■

## DOL News

The Department of Labor's Employee Benefits Security Administration (DOL/EBSA) announced new regulations and guidance related to implementation of the Pension Protection Act (PPA). DOL/EBSA has a dedicated web page for PPA related information including the Act itself and regulations and other guidance issued by DOL, the Department of the Treasury, and the Pension Benefit Guaranty Corporation. You can subscribe to DOL/EBSA's web site homepage, PPA page and Compliance Assistance page for notice of updates.

### Fee Disclosure for 401(k)-type Plans

On April 25, DOL/EBSA published in the Federal Register a [Request For Information \(RFI\)](#) to assist the DOL/EBSA in improving the information provided to an estimated 41 million participants about administrative and investment fees and expenses charged to 401(k)-type plans.

The RFI requests comments on the fee and expense disclosure issues affecting participants and beneficiaries of 401(k)-type plans governed by ERISA. Specifically, DOL/EBSA seeks information concerning what administrative and investment-related fee and expense information participants should consider when investing their retirement savings, the manner in which the information should be furnished to participants and who should provide that information.

Written comments on the fee disclosure RFI should be submitted by July 24, electronically by email to [e-ori@dol.gov](mailto:e-ori@dol.gov) or through the federal e-rulemaking portal at [www.regulations.gov](http://www.regulations.gov). Paper-based comments should be sent to the Office of Regulations and Interpretations, EBSA, Room N5669, U.S. Department of Labor, 200 Constitution Ave., N.W., Washington, D.C. 20210, Attention: Fee Disclosure RFI. [Comments](#) are posted on DOL/EBSA's web site.

In addition to improving fee disclosure to plan participants, EBSA is working on regulatory projects to enhance reporting of fees and expenses to the government and to increase disclosure to plan fiduciaries by service providers.

### Pension Distributions under Qualified Domestic Relations Orders

On March 7, 2007, DOL/EBSA published in the Federal Register an [interim final rule](#) regarding the qualified domestic relations order (QDRO) requirements of ERISA. The rule is effective 30 days after publication.

The rule is being issued under the PPA, which required DOL to issue by August 2007 regulations clarifying that a domestic relations order otherwise meeting ERISA's QDRO requirements would not fail to be treated as a QDRO solely because of when it is issued or because it is issued after, or revises, another domestic relations order. The rule includes examples to address various circumstances involving the timing of a domestic relations order.

The comment period closed on May 7. [Public comments](#) are posted on DOL/EBSA's web site.



## Upcoming Compliance Assistance Events

- Choosing a Retirement Solution for Your Small Business: Boston, MA on June 14; Fort Snelling, MN on June 26.
- Voluntary Fiduciary Correction Program Workshops: Pasadena, CA on May 24; Avenal, NJ on May 24; Birmingham, AL on June 29; and Orlando, FL on August 2.
- Uniformed Services Employment and Reemployment Rights Act (USERRA) Workshop in Fort Snelling, MN on June 26.

Visit DOL/EBSA's web site at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) for the registration brochure for these seminars and for the announcement of additional seminars around the country. ■

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## Product Profile - *Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)*

Are you looking for a plain-language explanation of the main terms and rules of retirement plans? Do you want to find the latest retirement plan information for 2006 and 2007 in one convenient place? **Publication 560**, *Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)* will provide you with this information and more. It will help you understand the basic differences between Simplified Employee Pensions (SEPs), SIMPLE IRAs and Qualified Plans (i.e., profit-sharing, 401(k) and defined benefit plans).

Publication 560 answers basic questions such as:

- How do I set up a plan?
- How much can I contribute?
- How much of my contribution is deductible?
- When and where are contributions deducted?
- How do I treat certain distributions?
- How do I report plan information to my employees and the IRS?

The publication also provides an easy-to-follow worksheet to assist self-employed individuals in determining the maximum deductible contribution that can be made to their own plan and resources for free tax help. Check it out! ■



## The Filing Cabinet

Forms - you can't live with them, you can't live without them. Just like you use forms when running your business - everything from spreadsheets to receipts to invoices - you also use forms when dealing with a retirement plan.

## Product Update

Since our last installment, we're pleased to announce the following product revisions:

- **Form 5330**, *Return of Excise Taxes Related to Employee Benefit Plans*, has finally been revised to include the IRC Section 4965 excise tax on Prohibited Tax Shelter Transactions. Line 5b has been added to the form. Other subtle changes are discussed on page one of the **Instructions for Form 5330** under the *What's New* heading.
- **Publication 560**, *Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)* (see the *Product Profile* on page 8).
- **Publication 571**, *Tax-Sheltered Annuity Plans (403(b) Plans) For Employees of Public Schools and Certain Tax-Exempt Organizations*.
- **Publication 590**, *Individual Retirement Arrangements (IRAs)*.

The above-mentioned items are available on the **Retirement Plans Community web page** by clicking on "EP Forms/Pubs/Products" under the "Retirement Plans Community Topics" section. Hardcopies can be ordered by calling (800) TAX-FORM (829-3676).

## Something New

IRS employees contributing to this edition of the *Retirement News for Employers* are:

**John Berger,  
Avaneesh Bhagat,  
Rudy Boldreghini,  
Angelique Carrington,  
Kathy Davis,  
Joyce Kahn,  
Roger Kuehnle,  
Peter McConkey,  
Mark O'Donnell,  
Nancy Payne,  
Sharon Polo,  
Keith Ruprecht,  
John Schmidt,  
Brenda Smith-Custer,  
Monika Templeman and  
Mikio Thomas**

Although not directed specifically to the retirement community, the IRS has developed a new tri-panel brochure for small business owners. The **Publication 4591**, *Small Business Federal Tax Responsibilities*, is a handy one-stop resource regarding the reporting and payment of federal taxes that each and every small business owner should have. Hardcopies can be ordered by calling (800) TAX-FORM (829-3676). ■



## Net Gains

Welcome back to *Net Gains*, the column devoted to providing you with the latest **Retirement Plans Community web page** information. This portion of the **IRS web site** contains almost everything you want to know about retirement plans but didn't know where to find it.

## More New FAQs

In the Fall edition of the *Retirement News for Employers* we told you about our new FAQs regarding [Loans](#), [Hardship Distributions](#) and [Plan Investments](#). We have recently added more FAQs regarding [Notices from IRS \(CP 403 and CP 406 Notices\) - Delinquency Notices](#) (see related article on page 11). Check out these and our other [Frequently Asked Questions](#).

## New Online Check-up

[403\(b\) Checklist](#) (Pub 4546) is now available online. This new checklist highlights the top 10 compliance issues occurring in 403(b) plans and is designed to bring awareness of these issues to plan sponsors. When viewed online, the *403(b) Checklist* has terms hyperlinked to take users to a much more in-depth discussion of the issue.

## Small Business Products Available

The online version of the [2007 Tax Calendar for Small Businesses and Self-Employed](#) is filled with useful information on general business taxes, IRS and SSA customer assistance, electronic filing and paying options, retirement plans, business publications and forms, common tax filing dates, and Federal legal holidays.

The [2007 Small Business Resource Guide](#) (SBRG) CD-ROM is now available. This handy, interactive CD is designed to equip small business owners with the skills and knowledge needed to successfully manage a business. The CD covers a wide range of topics, from starting a business to retirement plan options.

## Resources for Retirement Plan Participant/Employee

The lead story in this edition of the *Retirement News for Employers* dealt with Commissioner Miller's call to provide practical information to plan participants to educate them about their retirement. Did you know that we have a web page dedicated to providing [Resources for Retirement Plan Participants/Employees](#)? This page has links to forms and IRS and DOL publications dealing with retirement issues. Take a look! ■

### How to Subscribe to *Retirement News for Employers*

The *Retirement News for Employers* will be issued only through IRS e-mail. For your free subscription, please go to the [Retirement Plans Community web page](#) and subscribe online by selecting "Newsletters" under "Retirement Plan Community Topics." All editions of the *Retirement News for Employers* are archived there.

For your convenience, we have included Internet links to referenced materials throughout the *Retirement News for Employers*. These links are identified by the blue and underlined text. ■

## Final Designated Roth Accounts Under Section 402A Regulations Published

[Final Income Tax Regulations under section 402A](#) of the Internal Revenue Code were published on April 30, 2007. These regulations provide guidance concerning the taxation of distributions from designated Roth accounts under qualified cash or deferred arrangements described in section 401(k). Generally, these regulations apply to taxable years beginning on or after January 1, 2007.

### What is a Designated Roth Contribution?

A designated Roth contribution is an elective deferral to a section 401(k) or 403(b) plan that has been designated irrevocably by an employee as not excludable from the employee's gross income and to be deposited into a designated Roth account under the plan. Thus, the contribution is treated by the employer as includible in the employee's gross income at the time the employee would have received the amount in cash if the employee had not made the election (hence it's subject to all applicable wage withholding requirements). Designated Roth contributions are allowed in 401(k) plans and 403(b) plans but not in SARSEPs or SIMPLE IRA plans.

For more questions and answers on designated Roth accounts, visit our [Retirement Plans FAQs regarding Designated Roth Accounts](#) web page by selecting "EP FAQs" under "Retirement Plan Community Topics" or check out [Publication 4530, Designated Roth Accounts Under a 401\(k\) or 403\(b\) Plan](#). ■

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## EP TDI Notices


Beginning in February 2007, the IRS re-instated the generation of the EP Taxpayer Delinquency Investigation (TDI) Notices for Forms 5500 and 5500-EZ for the plan year ending December 31, 2004. The first delinquency notice, CP 403, is issued normally 15 months after an employee plan return's due date. If the filer does not respond within 15 weeks, the second delinquency notice, CP 406, is mailed.

The notices have been redesigned to be more understandable, which should increase the accuracy of the responses and reduce the need for follow-up correspondence. Additional information on these notices now appears on the Retirement Plan Community web page ([www.irs.gov/ep](http://www.irs.gov/ep)) in an [FAQ](#) format under the "Form 5500 Corner" of the "EP Forms/Pubs/Products" topic. ■

## Let's Just Take It One Three-Month Period at a Time

 = contribution

 = conference

 = file forms

Operating a retirement plan can be a time-consuming job. There are deadlines, not just for reports and forms but also for making contributions. There are conferences and seminars. And then there is information you need to give to participants.

So to help you navigate the retirement plan timeline, here is our month-by-month look at some of the important moments in the months to come. Please note that all of the filing dates below are for calendar-year plans - adjust the dates for non-calendar year plans:

-  **May 24:** EBSA Seminar: [Voluntary Fiduciary Correction Program Workshop](#) – Pasadena, CA and Avenal, NJ.
-  **June 14:** EBSA Seminar: [Choosing a Retirement Solution for Your Small Business](#) – Boston, MA.
-  **June 26:** EBSA Seminar: [Choosing a Retirement Solution for Your Small Business](#) and [Uniformed Services Employment and Reemployment Rights Act \(USERRA\) Workshop](#) – Fort Snelling MN.
-  **June 29:** EBSA Seminar: [Voluntary Fiduciary Correction Program Workshop](#) – Birmingham, AL.
-  **July 15:** Second quarterly installment due date for the 2007 plan year.
-  **July 17-19:** [IRS Nationwide Tax Forum](#) – Atlanta, GA.
-  **July 31-August 2:** [IRS Nationwide Tax Forum](#) – Chicago, IL.
-  **July 31:** “Form 5500 Day” – **File 2006 Form 5500**, *Annual Return/Report of Employee Benefit Plan*, or **Form 5500-EZ**, *Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan*, with DOL/EFAST, or **File Form 5558**, *Application for Extension of Time to File Certain Employee Plan Returns*, with IRS to request an automatic 2 1/2 -month extension (October 15, 2007) to file the Form 5500 or Form 5500-EZ.
-  **August 2:** EBSA Seminar: [Voluntary Fiduciary Correction Program Workshop](#) – Orlando, FL.
-  **August 21-23:** [IRS Nationwide Tax Forum](#) – Las Vegas, NV.
-  **August 28-30:** [IRS Nationwide Tax Forum](#) – New York, NY.

For a comprehensive list of upcoming EP Educational Events, visit the [Retirement Plans Community web page](#), select “Plan Sponsor/Employer,” then “Questions: Where to get Answers” and click on “Upcoming EP Educational Events.” ■

# Timing is Everything



## ***Some helpful retirement tips for employees from the IRS...***

Phew! April 15<sup>th</sup> is over. Don't wait until next April to start planning for your retirement.



Did you receive a tax refund? Have you received a raise? Did your child graduate from college? Did you graduate? Congratulations! Consider decreasing your taxable income and increasing your retirement savings.

\* Many plans have quarterly or semi-annual entry dates. If you are not already participating in your plan, consider starting.

\* If you are participating, consider increasing your deferrals. Generally, for 2007 you can contribute up to:

- \* IRA - \$4,000
- \* SIMPLE plan - \$10,500
- \* 401(k) or 403(b) plan - \$15,500



If you turn 50 by December 31, 2007, you may be eligible to make additional "catch-up" contributions. For 2007, the maximum catch-up contribution is:

- \* IRA - \$1,000
- \* SIMPLE plan - \$2,500
- \* 401(k) or 403(b) plan - \$5,000



For more retirement plan information, talk to your employer or visit [www.irs.gov/ep](http://www.irs.gov/ep), select "Plan Participant/Employee."

