Slide 1

Slide 1

Good morning/afternoon.

Note to Speaker: Introduce yourself and provide your qualifications for speaking.

Benjamin Franklin once said "a penny saved is a penny earned" and that still holds true today!

We all know that employer-sponsored retirement plans and IRAs are a great way for you, your clients and their employees to save money for retirement. Generally, you contribute money into one of these accounts and the money grows tax-free until you take it out. With Roth accounts and Roth IRAs, you contribute after-tax money and then if you meet certain conditions, the distributions aren't taxed. Pretty good deal, right?

However, before you can take advantage of the tax-deferred benefits of a retirement plan, there are certain things you have to do. First, you have to make

sure that your plan meets the tax-qualification requirements. Second, once you have set the plan up, you have to make sure you amend the plan when required to continue enjoying the favorable tax benefits it provides. Now, we here at the IRS recognize that mistakes happen in administering retirement plans, but we want you to catch any mistakes and correct them right away. So, third, you should correct any mistakes as soon as you discover them. It is a lot cheaper if you catch the mistake early and correct it using one of the IRS's self-correction methods than if the mistake is discovered by the IRS during an audit.

Once we've talked about the various types of retirement plans, how to meet the tax qualification requirements, amend plans and correct plan errors, we'll then discuss some recent hot topics like moving money into a Roth IRA or designated Roth account. We'll also talk about ROBS – Rollover as Business Startups. What to look for. What to avoid.

At the end of today's presentation, we'll go over some free resources for additional information on retirement plans and invite questions.

So, with that overview of today's presentation, let's get started.

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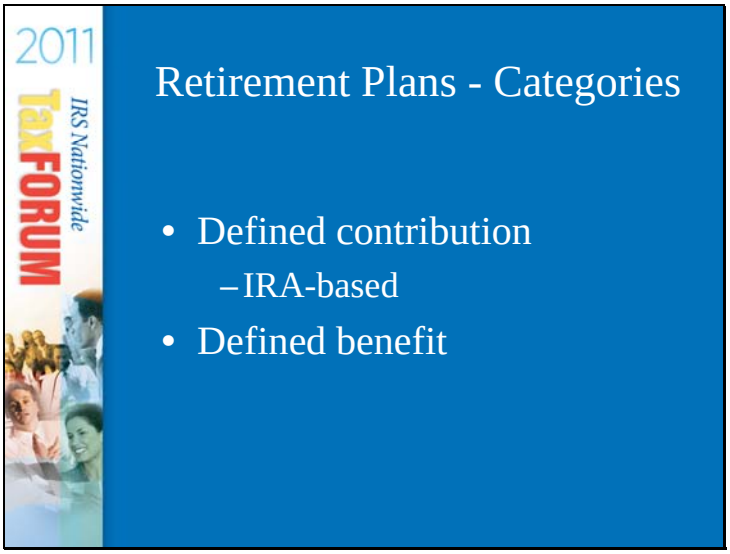

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There are two basic categories of retirement plans: defined contribution and defined benefit plans.

A **defined contribution plan** provides for an individual account for each participant. The value of the participant's account determines the amount of benefits the participant receives. The employer allocates contributions to a participant's account according to a formula stated in the plan. The participant's account is subject to certain expenses, as well as gains and losses.

There are several different types of defined contribution plans such as IRA-based plans, profit-sharing, stock bonus, employee stock ownership, money purchase pension plans and, probably the best known, 401(k) plans.

IRA-based plans can provide employers with a simplified way to contribute toward their and their employees' retirement. Two of the most common are SIMPLE IRA and SEP plans.

Employers with 100 or fewer employees who received at least $5,000 in compensation in the preceding year can adopt **SIMPLE IRA plans**, which allow employees to make pre-tax contributions and their employers to match these contributions. The employer must make a 3% matching contribution to the employees who are making salary deferrals; or a 2% non-elective contribution, which goes to all eligible employees (not just to those who make a salary deferral).

Under a **SEP plan,** the employer contributes to a traditional IRA, set up for each eligible employee. All employees over the age of 21, who have worked for the employer for at least 3 of the last 5 years, and who receive at least $550 in compensation for the year are eligible employees and must be included in the plan. Employers can use less restrictive eligibility requirements, but not more restrictive.

SEP rules allow the employer, including self-employed individuals, to contribute up to the lesser of: 25% of each eligible employee's compensation or $49,000. Only an employer can contribute to a SEP; not the employees. Employers don't have to contribute every year, but each year they do make a contribution, all eligible employees must receive a share. The employer can't discriminate in favor of highly compensated employees. Employees own 100% of their SEP-IRA account balances.

Profit-sharing plans allow an employer to decide how much to contribute to the plan on a year-by-year basis, regardless of the amount or lack of profit for the year. The plan formula determines how the employer's contributions are allocated among the plan participants.

A **stock bonus plan** is a type of profit-sharing plan but here the plan participants receive benefits in the form of the employer's stock or in cash distributions.

An **Employee Stock Ownership Plan – ESOP** - is a stock bonus plan that invests primarily in qualifying employer securities and places the employer's stock in the hands of the employees.

A **money purchase pension plan** requires an employer to contribute every year, for example 10% of each participant's compensation. The plan is subject to the minimum funding requirements and it must provide for a life annuity as a distribution option.

A **401(k)** plan is a profit-sharing plan that includes a cash or deferred arrangement that allows employees to elect to defer a limited portion of their salary as plan contributions.

All of these plans must meet coverage, nondiscrimination, vesting and distribution requirements.

Coverage and nondiscrimination work together to require that the plan benefit a certain cross-section of the workforce in a nondiscriminatory manner. This means that a qualified plan must include some lower paid employees in addition to highly paid employees.

Vesting means an employee's legal ownership of contributions to the plan. An employee must be immediately vested in – always have 100% ownership of - all his or her own contributions.

Generally, distribution requirements mean:
One, restrictions on early distributions to preserve funds for later in life, and
Two, force-out provisions later to ensure the funds are actually used in retirement instead of transferring wealth to heirs.

A **defined benefit** (DB) plan is a plan where a participant's ultimate benefits are determined by a definite formula stated in the plan. Sometimes a DB plan is referred to by the type of benefit formula it contains, such as a flat, fixed or unit benefit, but there is no standard definition for these forms. An example of a formula that may be used is where an employee's benefit upon reaching retirement age is an annuity equal to 2% times years of service times his or her highest five-year average annual earnings.

Slide 3

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In the retirement plan game, it is all or nothing - Any form or operational defect can potentially cause the plan to lose its tax-deferred status. There are many qualification requirements and we're going to identify some of the basic ones to help keep a plan in compliance. A plan can't be established by employees; only by an employer.

An employer can be any business entity form such as a sole proprietor, partnership, corporation or LLC. A qualified plan must be in writing; an oral agreement is not sufficient. Think of the plan document as a contract between the employer and employee, which states things such as eligibility, coverage, vesting and distribution requirements. The qualified trust is the funding vehicle of the plan that has to be set up when the plan is established. For IRA-based plans, the funding vehicle is an IRA. A qualified trust is exempt from federal tax and it has four basic requirements:

- creator
- property
- trustee

- beneficiary

A trust may be a separate document or incorporated into the plan document. If it’s written as a separate document then:

- the trustee and the employer must sign the trust document, and
- the employer must formally adopt the terms of the plan by a corporate resolution (if required by the state) by the end of the initial plan year.

A plan is not qualified until it’s communicated to those employees who are or may become plan participants.

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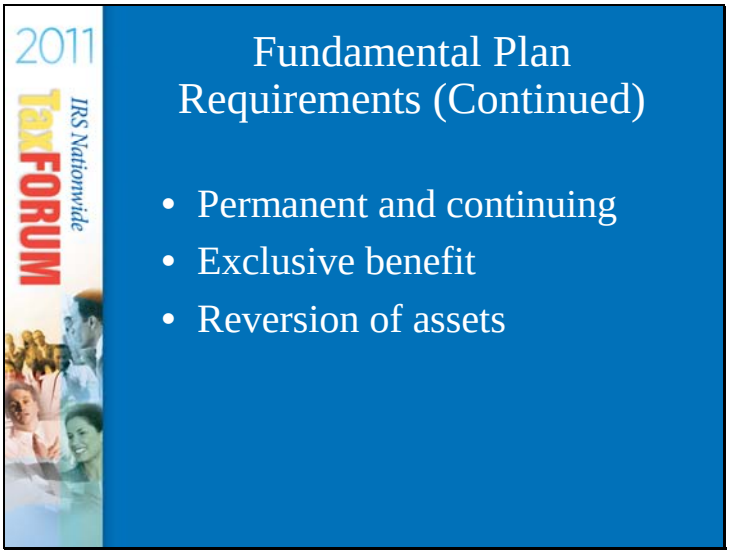

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When an employer sets up a plan, it should not be for temporary use and contributions should be substantial and recurring. A valid business reason, for example, change in business ownership, liquidation or dissolution of the employer, adverse business conditions must exist in order for the employer to terminate a plan shortly after establishing it.

Plan assets are for the exclusive benefit of the participants and their beneficiaries. It must be impossible to use or divert any part of assets other than for the exclusive benefit of the employees or their beneficiaries.

Plan assets should not revert to the employer, except under the following limited circumstances:

- Disallowance of the contribution deduction
- Good faith mistake of fact, for example an error in an amount of contribution
- The plan was not qualified after contributions were made to it

- There are excess assets in the plan upon its termination because of erroneous actuarial assumptions.

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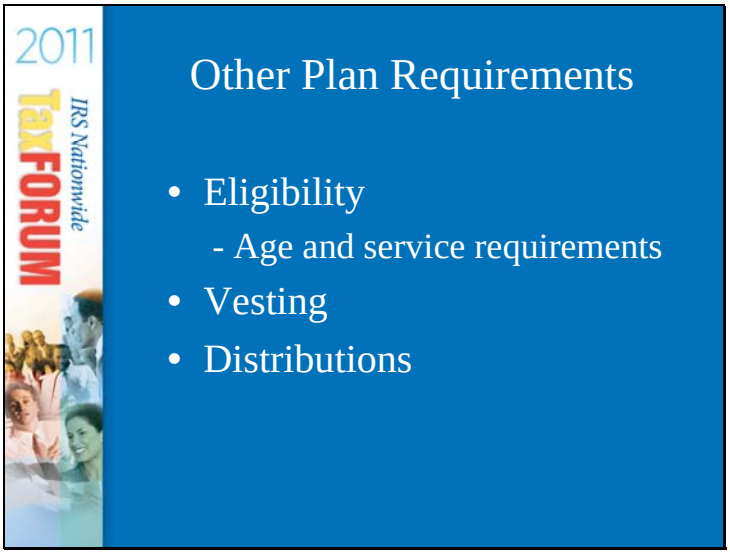

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Qualified retirement plans must state the requirements for when an employee will be covered by the plan. A plan can exclude all employees who have not attained the age of 21 or who have not completed 1 year of service. If, however, the plan provides for full vesting after 2 years of service, then it can exclude all employees who have not completed 2 years of service. This rule does not apply for 401(k) plans. For eligibility purposes, 1 year of service is a 12-month period beginning on the employee's date of hire during which the employee completes 1,000 hours of service. Once the employee meets the age and service requirements, if any, specified by the plan, the plan must state the date on which the employee will become a participant in the plan. This date must be by the earlier of the first day of the next plan year or the date 6 months after the date on which the employee meets the minimum age and service requirements.

Vesting refers to ownership of the account balance. An accrued benefit is the amount of pension benefit earned to date: the account balance in a defined contribution plan; and the amount of pension earned to date that is payable at the

plan's normal retirement date in a defined benefit plan. Generally, a defined contribution plan satisfies the vesting requirements if it provides for:

- full vesting after 3 years of service, or
- 20% vesting after 2 years of service and an additional 20% for each subsequent year of service with 100% vesting after 6 years of service.

A defined benefit plan can have either a 5-year-immediate or a 7-year-graded vesting schedule.

There are situations when the law requires participants to be fully vested in their accrued benefit, for example:

- Attainment of normal retirement age
- Termination, partial termination or complete discontinuance of contributions
- Employee contributions, including salary deferrals in 401(k) plans and SIMPLE IRA plans.

Generally, payment (distribution) of plan benefits should begin no later than the 60th day after the close of the plan year in which the latest of the following occur:

- When the participant is age 65 or reaches the plan's normal retirement age, whichever is earlier
- The tenth anniversary of when the participant began participating in the plan
- When the participant terminates his service with the employer
- Upon the participant's death or disability.

However, even if a participant has not yet terminated service with the employer, a 5-percent owner must start withdrawing benefits from the plan at age 70½.

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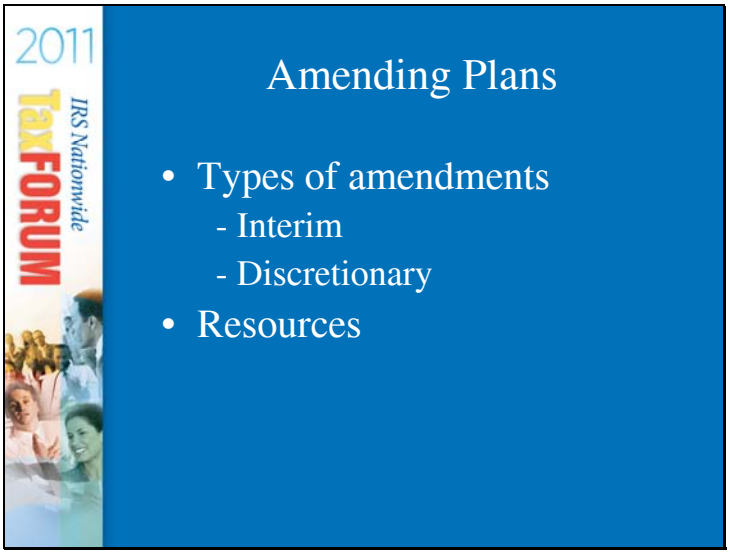

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Ok, you properly set up a qualified plan but then along comes a change in the law. Now what? Well, laws change frequently and this means that retirement plans must amend their documents and operations to comply with these changes to remain qualified. One of the most common causes of plan disqualification is where the plan isn't amended to comply with changes in the law.

There are two broad categories for plan amendments: interim and discretionary amendments.

Interim amendments include both:

- amendments required to be made to a plan as a result of changes to plan qualification requirements, and
- amendments that a plan sponsor chooses to adopt that are integral to both a change in the qualification requirements and to a plan provision that is required to be amended as a result of a change to the qualification requirements.

In other words, interim amendments are required to avoid a “disqualifying defect” and keep the written plan document up-to-date between a plan’s submission periods during the applicable remedial amendment cycles – the cycle during which the plan may submit its written document to the IRS for a determination that the document meets certain legal requirements.

An interim amendment must be adopted by the later of:

- the due date (including extensions) for filing the income tax return for the employer’s taxable year that includes the date on which the remedial amendment period begins, or
- the last day of the plan year that includes the date on which the remedial amendment period begins.

Discretionary Amendments are plan amendments other than interim amendments. They include:

- amendments that a plan sponsor adopts as a result of a change in the qualification requirements, that are neither required nor integral, and
- amendments made to a plan that are not related to a change in the qualification requirements.

Plans must adopt discretionary amendments by the last day of the plan year in which they become effective, unless a different amendment deadline applies. For example, if a plan wanted to add a designated Roth account for the 2011 plan year, the amendment would be required by December 31, 2011.

So where can you go to find out which plan amendments, if any, are needed? First stop should be the IRS.gov/retirement website. Click on the Benefits Practitioner link along the top of the page. Next click on the Determination, Opinion and Advisory letters link and then on the Update a Plan link.

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As I mentioned before, the way the qualified plan law is written, it's all or nothing; one flaw could disqualify the plan. The consequences of plan disqualification are harsh because it means the trust to which contributions are made is no longer tax-exempt. Instead, the plan trust is now treated as a regular taxable trust, generally leading to consequences such as:

- certain employees having to pay tax on all contributions allocated to their accounts during the unqualified years to the extent they are vested in those contributions.
- employees not being able to make a tax-free rollover of any plan distributions to another qualified plan or to an IRA.
- the employer not being able to deduct contributions made to the plan for the year in which they were contributed .
- the trust having to pay tax on any earnings each year the plan is not qualified.

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Plan disqualification has a devastating impact on all parties involved. So, to help everyone avoid these harsh consequences, we have the Employee Plans Compliance Resolution System to fix most plan mistakes.

EPCRS allows plan sponsors to correct plan mistakes and continue providing their employees with retirement benefits on a tax-favored basis. There are three components of EPCRS:

- Self-Correction Program,
- Voluntary Correction Program, and
- Audit Closing Agreement Program.

Under the EPCRS system, there are some general principles:

- Plan sponsors and administrators establish practices and procedures that ensure they maintain and operate plans according to the law.
- Sponsors and administrators operate their plan according to the plan document.
- Sponsors and administrators voluntarily and timely correct plan mistakes in order to protect participants' expected retirement benefits.

The **Self-Correction program** (SCP) is the most economical of all the correction programs because it's FREE. A plan sponsor who has established practices and procedures can correct insignificant operational failures without having to pay any fee at anytime. A qualified plan that has a favorable determination letter from the IRS may also correct certain significant plan failures.

The **Voluntary Correction Program** (VCP) is also a good deal for plan sponsors. Although there's a fee to use VCP, a plan sponsor can correct the plan failure and get the IRS to approve the correction.

The **Audit Closing Agreement Program** (Audit CAP) is available when the IRS discovers a significant failure while auditing the plan. The plan sponsor can use Audit CAP to correct the failure, but must pay the IRS-imposed sanction. Although the sanction bears a reasonable relationship to the nature, extent and severity of the failure, taking into account the extent to which correction occurred before audit, it can still be quite expensive.

In other words, it is much cheaper and less painful if a plan sponsor uses SCP or VCP, as compared to Audit CAP. Better still, pay close attention to plan administration, and avoid errors.

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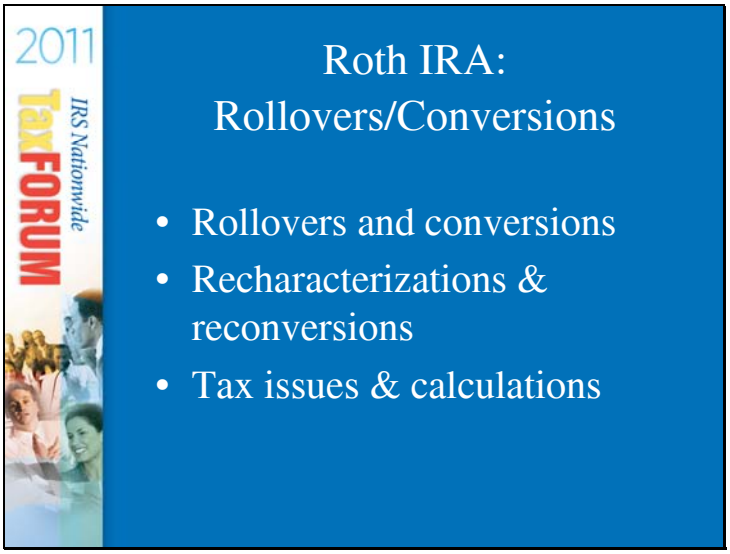

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Next, let's talk about some recent Roth issues:

First - making rollovers and conversions to a Roth IRA, and

Second - rolling over money into a retirement plan's designated Roth account.

Rollovers and conversions are a way to move money into a Roth IRA. Now this is an area where the law changed in 2010. Prior to 2010, you could only rollover or convert amounts to the Roth IRA if your modified adjusted gross income was less than $100,000 and filing status was anything but married filing separate. But these requirements were eliminated as of January 1, 2010, allowing more people to roll over or convert to a Roth IRA.

The amounts that you can roll over from a retirement plan are called eligible rollover distributions, which are defined by what they aren't. So for example, an eligible rollover distribution is NOT:

- a required minimum distribution;
- any of a series of substantially equal payments made at least once a year over the employee's life or life expectancy, the joint lives or life

expectancies of the employee and beneficiary or a period of 10 years or longer; or

- a hardship distribution.

Publication 560, *Retirement Plans for Small Business*, available on www.irs.gov, contains a complete list of what types of distributions from a plan are not eligible to be rolled over.

You also can't convert certain amounts from an IRA into a Roth IRA. For example, you can't convert any required minimum distributions you have to take from an IRA into a Roth IRA. If you choose to convert a traditional, SEP or SIMPLE IRA into a Roth IRA, make sure to take any required minimum distributions from them before you convert.

If you roll over or convert amounts that were not eligible, you have made an excess contribution. You can withdraw excess contributions to a Roth IRA, along with the earnings, by the due date of your tax return, including extensions, or you will be subject to an annual 6% excise tax.

If you are the beneficiary of a retirement plan account, you can roll over your inherited amount to a Roth IRA. However, if you are a designated non-spouse beneficiary, then you must roll over directly, meaning a trustee-to-trustee transfer to the inherited Roth IRA.

If you inherit an IRA from your spouse, you can convert it into a Roth IRA in your own name, but you can't if you inherit it from someone other than your spouse.

A recharacterization allows you to "undo" a rollover or conversion as though you had moved over amounts to a traditional IRA instead of a Roth IRA. Why would you want to do this? Let's say, you converted your traditional IRA to a Roth IRA. You would then have to include its value in your income that year. But if the Roth

IRA assets have significantly decreased in value, you have to pay tax on the value at the time you converted, which was much higher. You can move the converted amount back into the original or new traditional IRA. I just used the example of recharacterizing a conversion of a traditional IRA to a Roth IRA and then back to a traditional IRA. If your Roth IRA is funded by a rollover from a retirement plan, then you would have this amount transferred to a traditional IRA.

You must recharacterize a Roth IRA to a traditional IRA by the due date, including extensions, of your tax return, and only through a trustee-to-trustee transfer. The recharacterization can apply to all or just a portion of the amount converted or rolled over to the Roth IRA, but the entire amount in the Roth IRA is used to determine the appropriate amount of earnings or losses that go with the recharacterized amount. This is why most people when they roll over or convert amounts to a Roth IRA do so to a brand new Roth IRA or IRAs, as opposed to existing ones that contain other funds.

A reconversion is a “do over.” With a reconversion, you are redoing the conversion or rollover. Continuing with my previous example, we started with a traditional IRA, converted to a Roth IRA, changed our minds and moved the money back to a traditional IRA. But now, with a reconversion, we are changing it to a Roth IRA again. This time, however, there is a bit of a waiting period. You can’t convert and reconvert an amount during the same tax year or, if later, during the 30 days after you did a recharacterization. If you do it, it is a failed conversion.

Roth IRAs only allow after-tax contributions, and, therefore, you have to include any previously untaxed money that you move into the Roth IRA in your taxable income in the year you do the rollover or conversion. However, there is a special rule for rollovers and conversions to a Roth IRA in 2010.

If your rollover or conversion to a Roth IRA occurred in 2010, you qualified for special tax treatment in that you include ½ of the taxable amount of the rollover or conversion in your taxable income in 2011 and ½ in 2012. However, you could've elected on your 2010 tax return to include the entire taxable amount in 2010 income. This election is irrevocable. If you chose to spread the tax over 2011 and 2012, but died in 2011, your estate would have to pay the entire tax on the rolled over or converted amount in 2011.

A rollover or conversion for 2010 means you must've moved the money to the Roth IRA through a direct (trustee-to-trustee) transfer by December 31, 2010, or received the distribution by December 31, 2010, and deposited the distribution to a Roth IRA within 60-days.

The general tax rules get a little complicated when you are trying to move money from retirement plans and IRAs that contain a mix of both pre-tax and after-tax money. You generally can't just move the after-tax amounts into a Roth IRA; instead you usually have to prorate the amounts into their pre-tax and after-tax portions and then include the pre-tax amount of the rollover and conversion in your income.

To calculate the pre-tax amount of your retirement plan distribution, you first figure out the after-tax amount and then subtract that after-tax amount from the total distribution to determine the pre-tax amount. First, divide the sum of your after-tax contributions in all your plan accounts by the value all your plan accounts. You multiply this "after-tax fraction" by your distribution. Some notes when calculating:

- You don't include designated Roth accounts in this formula.
- The amount "distributed" is the amount directly rolled over to a Roth IRA or the amount actually distributed to you.

It gets tricky though, if you receive a distribution and only roll over part of it to a Roth IRA. The rule is that the first dollars rolled over come from the pre-tax portion of the distribution, followed by the after-tax portion.

The rules to determine the pre-tax amount of IRA distributions that can be converted to a Roth IRA either directly, or indirectly through a 60-day transfer are that you divide the after-tax amounts in all your IRAs by the total value of all your IRAs. Now that you have your ratio of “after-tax amounts,” multiply this ratio by the distribution to determine the after-tax portion of the distribution. To figure the pre-tax portion of your distribution, you subtract the after-tax portion and what is left represents the pre-tax portion. Some things to keep in mind when you do this calculation:

- use December 31 account values in the year of distribution, not the values on the distribution date.
- include the values of all your IRAs, including SEP and SIMPLE IRAs, but not Roth IRAs.
- You don’t include your spouse’s IRAs.

Unlike distributions from a retirement plan, if you only convert part of a traditional IRA to a Roth IRA, you use the proration rules to determine the pre-tax and after-tax portion of the converted amount.

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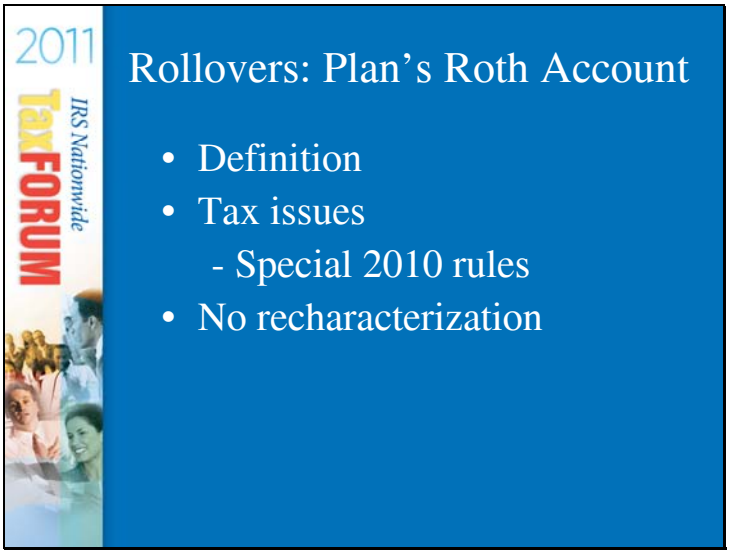

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Another big Roth issue in 2010 was the introduction of in-plan Roth rollovers - a new plan feature that 401(k), 403(b) and governmental 457(b) plans can have to allow rollovers of eligible rollover distributions from a non-Roth account into a designated Roth account in the same plan.

Assuming a plan amends to permit in-plan Roth rollovers, plan participants, surviving spouse beneficiaries and alternate spouse payees are eligible to make these rollovers. Non-spouse beneficiaries are not eligible.

Only eligible rollover distributions from a non-Roth account in the plan qualify for this type of rollover. Again, a list of what is not an eligible rollover distribution is available in our **Publication 560**.

Like other types of rollovers, you can do an in-plan Roth direct rollover by having the plan trustee transfer your eligible rollover distribution from the plan's non-Roth account to the designated Roth account in the same plan. Or you can do an in-plan Roth 60-day rollover where you receive the distribution and then deposit

all or part of that distribution into the designated Roth account in the same plan within 60 days. Remember, though, that a distribution to you is subject to a mandatory 20% federal income tax withholding. Unless you make up that 20% withheld amount out of pocket when you make the deposit within 60 days into the plan's Roth account, that 20% withheld amount:

- is generally taxable income in the year you receive the distribution, and
- may also be subject to the additional 10% tax on early distributions, unless an exception to this tax applies under Code §72(t).

The amount of an in-plan Roth rollover that is taxable is the fair market value of the distribution that you roll over, minus the after-tax amount of the distribution. Special rules also apply to in-plan Roth rollovers done in 2010. So, as a default you would include ½ of the taxable amount of the in-plan Roth rollover in gross income in 2011 and ½ in 2012, or, you can elect to include the entire taxable amount in 2010. By the way, your election as to in-plan Roth rollovers is independent of your election to include in 2010 income the taxable amount of any rollover or conversion to a Roth IRA in 2010.

Now, because with an in-plan Roth rollover the money stays in the plan, there is no additional 10% early distribution tax under Code §72(t). There is, however, a special recapture rule that says that if you receive a distribution of any amount of an in-plan Roth rollover within 5 years, the 10% additional tax on early distribution applies unless an exception to this tax applies, for example, if you are age 59 ½. You also don't have to pay this 10% tax if you only receive the non-taxable part of the in-plan rollover or you move the distribution to another designated Roth account or a Roth IRA.

If you do an in-plan Roth direct rollover, there is no 20% federal income tax withheld. But, be careful - you may have to make estimated tax payments or increase your withholding for the quarter in which the distribution was made to account for your increased income. See **Publication 505**, *Tax Withholding and*

Estimated Tax, for details on estimated taxes and the underpayment of tax penalty.

What happens if you did an in-plan Roth rollover in 2010 and used the default method of including ½ of the taxable amount of the rollover in 2011 income and ½ in 2012 income, but then you take a distribution from the rolled over amount in either 2010 or 2011? A special income acceleration rule applies whereby you must include in income, in the year of distribution, the amount of the distribution that you would have deferred to 2011 or 2012.

Both the special recapture rule and the special acceleration into income rules require that you have to know the amount of an in-plan Roth rollover that's being distributed. To do this, you need to understand the allocation and ordering rules used to determine what part of a distribution from the designated Roth account comes from the in-plan Roth rollover. IRS Notice 2010-84 has a pretty detailed example on how to apply the allocation and ordering rules.

We talked about recharacterization for Roth IRAs but note that you can't recharacterize in-plan Roth rollovers. Once you do one, there's no undoing it!

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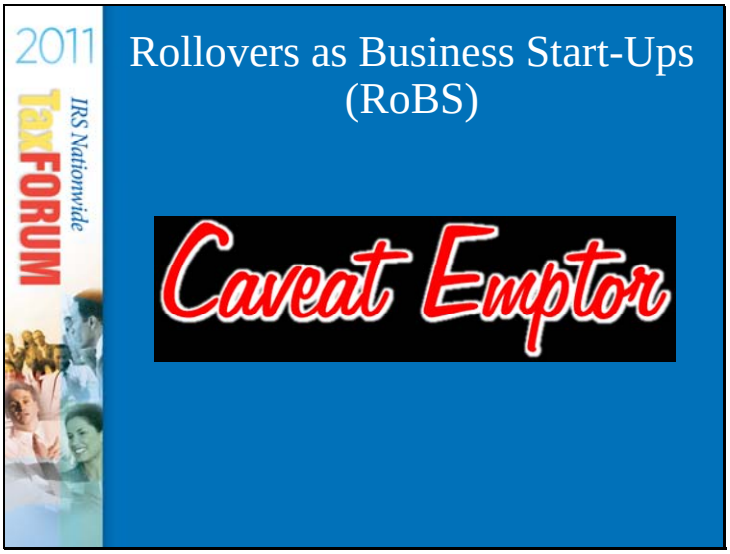

Slide 11

Rollovers as Business Start-Ups, called ROBS, are the new so-called investment toys on the block. Many companies market ROBS as a way for prospective business owners to access accumulated tax-deferred retirement funds without paying distribution taxes, in order to cover new business start-up costs.

ROBS have come under scrutiny because they appear to undermine the purpose of the U.S. private pension plan system: safeguarding funds for future retirement. In a ROBS scenario, retirement funds are exchanged for employer stock of speculative value.

We suggest you inform your clients – Caveat Emptor – or buyer beware for two reasons. Here's why…

Many ROBS promoters ask the IRS for a favorable determination letter as a way to illustrate that we the IRS have "blessed" the arrangement, but that is not the case. A favorable determination letter means we have reviewed and approved the language of the plan document, but that letter does not provide protection to

the plan sponsor from engaging in transactions not covered by the terms of the plan or operating the plan in a discriminatory manner.

We have been scrutinizing ROBS and there are some indications that many ROBS businesses either failed or were on the road to failure with high rates of bankruptcy (business and personal), liens and corporate dissolutions by local Secretary of State offices. In many circumstances, the bankruptcy occurs before they can even hang the “Grand Opening” sign.

Besides people losing their retirement savings, examiners are detecting other issues. For example, once the business gets the capital it needs, the employer amends the plan to prevent other employees from participating in the plan. These types of amendments could potentially result in discrimination and could lead to plan disqualification causing headaches and undue hardship. We are also finding no 1099-R is being issued with the initial distribution and no annual valuation of asset.

What is the moral of the story? “Beware.”

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Slide 12

We have developed many tools to assist you and your clients with retirement plans, whether your question is:

- How do I choose a retirement plan?
- How much money can I contribute to my retirement plan? or
- This plan isn't working for me anymore. How do I terminate it?

You can visit our website at www.irs.gov/retirement. Or you can find the Retirement Plans Community button on the top of the main www.irs.gov Web page. On the Retirement Plans Community Web page, you'll find information for "Benefits Practitioner," "Plan Participant/Employee" and "Plan Sponsor/Employer." The pages contain all of the retirement plan information that you have come to expect from Employee Plans.

If you have a specific retirement plan question, there are two different ways you can discuss your question with a retirement plan specialist. You can call our Customer Account Services toll-free at (877) 829-5500 or, if you prefer, you can e-mail your questions to RetirementPlanQuestions@irs.gov. Our specialists must

respond to all e-mail questions by telephone, so please remember to include your phone number if you decide to e-mail us and we'll call you with the answer to your questions.

I want to point out our two free, electronic newsletters to which you should subscribe. The first is the *Employee Plans News*. This newsletter is for benefit practitioners and is more technical and involved than our newsletter geared toward business owners, *Retirement News for Employers*. You can easily subscribe to these newsletters. Just click on "Newsletters" in the left navigation pane of our Web page, then "Employee Plans News" or "Retirement News for Employers," then click on "Subscribe" and provide us with your e-mail address. That's all it takes. We will e-mail you when we issue a new edition.

Please be sure to attend our other presentation at these forums: "Goldilocks and Retirement Plan Contributions" where you will learn how to avoid the "too much, too little, too early, too late" contribution and distribution excise taxes relating to retirement plans. This presentation will help you get it just right. It will also assist you in identifying a controlled group situation, and employing related laws that your clients need to know.

Thank you for your attention and please stop by the TE/GE booth for additional retirement plan information.

Now we welcome your questions.