

Internal Revenue Service  
PO Box 13163  
Baltimore, MD 21203

Department of the Treasury

**Date:**

**Employer Identification Number:**  
«TIN»

«Name\_Line\_1»  
«Name\_Line\_2»  
«Address»  
«City», «State» «Zip»

Dear Sir or Madam:

Our Form W-2 records indicate that you sponsor a SIMPLE IRA plan for the benefit of your employees. It has come to our attention that many employers sponsoring SIMPLE IRA plans are using out-of-date SIMPLE IRA plan documents. To have a valid SIMPLE IRA plan, your plan document must reflect current law. Plans not in compliance with this requirement could lose all the retirement savings and tax benefits that these plans provide to both the employers sponsoring them and the employees participating in them.

In the interest of preserving the many benefits provided by SIMPLE IRA plans, the Internal Revenue Service is offering a **period of relief** to enable sponsors of SIMPLE IRA plans to bring their plan documents into compliance. This period of relief begins immediately and will end **December 31, 2006**.

To be in compliance, a sponsor of a SIMPLE IRA plan must have a SIMPLE IRA plan document incorporating the applicable provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).

**How can you tell if your plan has been updated for EGTRRA?**

To determine if your plan document is in compliance, please check the date on your plan document. If you are using an **IRS** model plan, *Form 5304-SIMPLE* or *Form 5305-SIMPLE*, and the date in the upper left-hand corner is either March 2002 or August 2005, your SIMPLE IRA plan is in compliance. If the date on the model document is **not** one of these dates, you may obtain an up-to-date *Form 5304-SIMPLE* or *Form 5305-SIMPLE* by accessing <http://www.irs.gov/formspubs/index.html> or by calling Tax Forms and Publications toll-free at 1-800-829-3676. You may also contact the custodian or trustee of your plan. If you are using an IRS model form as your plan document, you must complete and sign one of the acceptable, up-to-date versions of the *Form 5304-SIMPLE* or *Form 5305-SIMPLE* by **December 31, 2006**, to qualify for this relief.

Letter 4083(CG)

If you are using a prototype SIMPLE IRA plan document that you obtained from a financial or other institution and the issue or revision date on the document is 2002 or later, your plan is probably in compliance. If you are not sure if your plan is in compliance, please contact the provider of your SIMPLE IRA plan document to determine if the document you are using is up-to-date.

**What should you do?**

If the document you are using is not up-to-date, request a copy of the provider's most recent document and complete and sign the new plan document by **December 31, 2006**. Alternatively, you could adopt the March 2002 or August 2005 version of IRS model plan, *Form 5304-SIMPLE* or *Form 5305-SIMPLE*, to use as your SIMPLE IRA plan document.

It is important to us that you and your employees are able to continue to enjoy the benefits of maintaining and participating in a SIMPLE IRA plan. For more information on SIMPLE IRA plans, including the requirement to amend your document to include the provisions of EGTRRA, go to the Retirement Plans Community web page at [www.irs.gov/ep](http://www.irs.gov/ep) or call us toll free at 1-877-829-5500.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol D. Gold", written over a horizontal line.

Carol D. Gold  
Director,  
Employee Plans