

employee plans news

PROTECTING RETIREMENT BENEFITS THROUGH EDUCATING CUSTOMERS

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Calendar of EP Benefits Conferences

EP Connections: Interview with Mark O'Donnell

This issue marks the 2nd anniversary of the *Employee Plans News*. In honor of the occasion, we sat down with Mark O'Donnell, Director, Employee Plans Customer Education & Outreach (CE&O), to discuss what CE&O does and how it goes about doing it. As the director of CE&O, Mark is responsible for EP's organization and delivery of various education and outreach vehicles using such means as the Internet, the *Employee Plans News*, a system of speakers and support for benefits conferences.

Mark joined the IRS in 1983 as a tax law specialist and served as a Project Leader and Branch Chief in EP prior to becoming the first director of CE&O. Mark is a graduate of the University of Virginia and received his Juris Doctor from the Catholic University of America.

You joined the IRS 20 years ago. What changes have you noticed in the IRS "culture" in that time?

Back then we were far less diverse. Our activities included primarily publishing guidance and doing enforcement. The guidance was on the new law at the time: TEFRA, DEFRA and REA. Enforcement was done up front through the determination letter program and after the fact through the examination program. To me, we were more of an enforcement agency and our relationship with taxpayers was often confrontational. We possessed one unwieldy weapon: disqualification—the "atom bomb". It was difficult to apply this sanction without destroying the underlying retirement plan.

In the last 20 years, the value of cooperation between the public and private sectors has become increasingly obvious. All of us working in the Employee Plans area—both inside and outside the government—are engaged in the same activity: expanding plan coverage and increasing compliance with the pension rules. We have witnessed the growth of voluntary compliance programs that encourage self-audit and correction of plan defects. They also provide reasonable sanctions designed to encourage correction.

When and why was the EP Customer Education and Outreach office brought into existence?

CE&O was given birth during the redesign of the IRS in 1999 and 2000. I think we acknowledged that better communication would help us accomplish our mission. Our purpose is to partner with our customers to improve plan coverage and compliance. We have set up a number of vehicles to facilitate our outreach efforts.

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Interview with Mark O'Donnell *continued from page 1*

I have heard repeatedly from folks in the private sector that employers do not understand what they have undertaken when they adopt a retirement plan. Plan sponsors want to comply – their retirement plans are adopted voluntarily to help employees and to take advantage of the tax benefits associated with a retirement plan. Noncompliance arises from:

- Not knowing what the rules are,
- Not being aware of who is responsible for compliance or
- Not realizing what is involved in compliance.

The determination, examination and voluntary compliance programs provide one-on-one outreach with our customers. They are set up to encourage compliance. CE&O's mission is designed to leverage off of those programs and spread their impact to the universe of plan participants, sponsors, practitioners and vendors. For example, we hope that by broadcasting the results of our examination program we can encourage employers to conduct self-audits and use our voluntary compliance programs to correct plan defects.

How has the start-up period gone so far?

Very well. We are at the end of the beginning. We have hired the employees and set up the communication vehicles: the Retirement Plans Web page, the *Employee Plans News*, a system of speakers, publications and other products.

Before CE&O, there were outreach activities carried on by EP employees across the country, but it was not planned, organized and supported nationally with a dedicated staff. This staff has allowed us to greatly enhance our customer education and outreach efforts. For example, we were able to publish this newsletter. Our subscriber base has grown to nearly 17,000.

Plan sponsors want to comply ... noncompliance arises from not knowing what the rules are. (Our programs) are set up to encourage compliance.

What have been your biggest challenges – both internal and external?

The greatest challenge facing CE&O is the challenge that has been facing us since we began: connecting with our partners inside and outside of the government. We are in the relationship business. We need to continue to develop our relationship with folks within EP so that we can help them communicate. We need to improve our relationship with other governmental functions outside of EP, for example, the IRS' Small Business/Self Employed (SB/SE) Division and the Department of Labor. And we need to continue to develop our relationship with plan participants, sponsors, practitioners and vendors so that we can facilitate the education that goes on among all interested parties. It is clearly more effective to focus specific messages on the right audience. For example, we provide a lot of outreach to school business officials. This has clearly had a big impact on compliance in the 403(b) and 457 plan area.



The Staff of CE&O:

Front Row: Mark O'Donnell, Nicole Swire, Peter McConkey

Middle Row: Teresita Laureano; Bonnie Schaumberg; Terri Holloway, Ester Brock-Jones, Donna Prestia, Sharon Polo, Nancy Payne

Back Row: Wiley Ransom, Doug Jordan, Greg Nix, Brenda Smith-Custer, Mikio Thomas, John Schmidt, Todd Newman

What do you think your audience thinks of CE&O initiatives?

We receive feedback from our customers and it is generally positive. We do a lot of exhibiting at conferences around the country and some people seem suspicious, but they are generally impressed when they find that we are genuinely interested in providing them information that will help them find the right retirement plan and make sure that it is operated properly.

It is tough to measure our impact on our audience. We really need input on how to make our education and outreach efforts more meaningful and effective. I appreciate any comments or suggestions—positive or not—because they help us evaluate and direct our program. They can be sent to us at RetirementPlanComments@irs.gov.

Last year was the second year that EP participated in the IRS Nationwide Tax Forums. Why did EP participate? What's different about the Tax Forums audiences from the traditional EP outreach audiences?

The Tax Forums offer us an opportunity to get information directly to a large audience of general tax practitioners. They are a link to our customers who don't normally hire a benefits professional. Last year, we used the Tax Forums as a platform to introduce the "Choosing a Retirement Solution for Your Small Business" publication which provides information about the array of retirement plan options available and some of their features. This year's seminar will explore the latest on establishing and operating "No Fuss" Retirement Plans (i.e., Payroll Deduction IRAs, SEPs and SIMPLEs) and correcting common problems.

You mentioned that EP in general, and CE&O specifically, are reaching out to the small business community. Why?

The small business community is a vast market for us. Large employers tend to have retirement plans and their plans tend to be administered and serviced by benefits professionals. This is not true for many small businesses. There are large numbers of small businesses with no retirement plans and many with plans don't operate them properly. Over 40 million Americans are employed in businesses with 100 or fewer employees but only 8 million of them have retirement plans. This is a major problem. We are trying to address it by educating small business owners about the opportunities that retirement plans provide them and their role in assuring that any retirement plan they have is running well. Of course, we want to educate them as well about our voluntary compliance programs and encourage them to set up plan procedures that will ensure compliance. The Advisory Committee on Tax Exempt and Government Entities (ACT) endorsed this approach in their [report](#) on small business compliance. We are organizing our information in the four stages of the "life cycle" of a retirement plan: Choosing, Establishing, Operating and Terminating.

What projects is CE&O working on or planning?

We are awash in good ideas. We are prioritizing them and acting on those that seem most effective. For example, we are producing a CD-ROM for the Voluntary Compliance program. We intend to roll it out soon after publication of the upcoming Revenue Procedure enhancing the Employee Plans Compliance Resolution System. We are also developing a resource guide for 401(k) plans. This guide is coordinated with our 401(k) examination program; in fact, much of the content is being developed by our 401(k) compliance planning group.

Alert:

The Public Hearing on the Proposed Cash Balance Plan regulations is scheduled for Wednesday, April 9th.

At present, the location is the auditorium in the main IRS building at 1111 Constitution Avenue, N.W., Washington, DC.

However, due to the amount of interest, the hearing may extend to April 10th and may be moved to a larger venue.

For the latest information go to www.irs.gov/ep.

Interview with Mark O'Donnell *continued from page 3*

We are also interested in educating participants and potential participants on their retirement needs and what to expect from their employer and the retirement plan. In this way, we are hoping that participants will create the demand for retirement plans and they will know enough or have access to information so that they can check that their plan is being operated properly.

Please tell us what some of your goals are for the upcoming year.

I intend to expand our whole program of information for small businesses in coordination with the Department of Labor and the SB/SE Division of the IRS, and develop and broadcast further information on the Retirement Plan Life Cycle. I also intend to expand our coordination with our partners both inside and outside EP. For example, right now many of our projects are initiated by compliance planning groups made up of representatives from Examination, CE&O and R & A. I want to get more employees in Rulings and Agreements and Examinations working on the content of our outreach products and services.

Crystal ball time: What will CE&O be doing five years from now, 10 years from now?

I think that CE&O, and Employee Plans at large, will become more of an educational institution. Plan participants, plan sponsors, practitioners and vendors will come to our website for information on all aspects of our retirement system. We will have mature partnerships with a broad array of key players in the retirement plan field inside and outside the government.

You bike to the office every day. Do you ever get work ideas while peddling down Capitol Hill? Or is this time devoted to relaxation?

I can't claim that I do much work on my bike. It's pure pleasure. I have one of the great commutes in America—by the Supreme Court, down Capitol Hill, and up the grand ceremonial space of the Mall: the museums, the Washington Monument and the White House. It feels like it's my neighborhood.

DO YOU KNOW USERRA and SSCRA?

Recent events have caused thousands of the citizens serving in U.S. military reserve and National Guard units to be ordered to active federal duty for extended periods of time. This article summarizes retirement plan rights and benefits that may be available to veterans upon return to civilian employment.

The Uniformed Services and Reemployment Rights Act ("USERRA") was signed into law in 1994, with amendments made in 1996, 1998, and 2000. USERRA protects employment and benefit rights of Americans who are absent from civilian jobs to serve in the uniformed military branches. USERRA applies to virtually all employers, including federal, state, and local governments and their agencies.

The Small Business Job Protection Act of 1996 added section 414(u) of the Internal Revenue Code to implement the special retirement plan rules provided by USERRA for veterans reemployed after December 11, 1994.

Model Plan Language reflecting Code section 414(u) was provided in [Revenue Procedure 96-49](#). The Model Plan Language incorporates section 414(u) by reference, and also includes an optional provision permitting plans that allow participant loans to suspend loan payments for borrowers during periods of military service.

How to Subscribe to Employee Plans News

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

For your convenience, we have included Internet links to referenced materials throughout the electronic version of *Employee Plans News*. These links are identified on the paper version by the underlined text. The electronic version may be found at www.irs.gov/ep.

USERRA and SSCRA *continued from page 4*

The Soldiers and Sailors Civil Relief Act of 1940 (“SSCRA”) limits the interest that may be charged on outstanding obligations and liabilities of persons who enter military service.

Below is a discussion of some frequent issues that arise concerning the reemployment of veterans and the restoration of retirement plan benefits.

Employer Contributions

What is the basic rule for employers reemploying veterans? Employers must fund pension benefits that a reemployed participant did not receive due to qualifying military service.

How does that work for profit sharing or money purchase pension plans? Employers must make the non-elective employer contributions that would have been made during the military service period.

How is compensation determined for this purpose? To calculate the makeup contributions and allocations due, assume the rehired employee earned compensation at the same rate they would have received during the military service period.

How long does an employer have to make these makeup contributions? The employer does not have to begin the makeup contributions until after the veteran returns to civilian employment with the same employer; the employer may fund makeup contributions over a period of three times the military service period, not to exceed five years.

What about employer matching contributions? If matching contributions are required because of employee elective contributions, the employer match must occur as soon as the rehired veteran pays in missed elective contributions.

Are there special rules for forfeitures or lost earnings? A rehired employee is not entitled to missed allocations for any forfeitures that occurred during the military service period, nor lost earnings on makeup contributions.

Employee Contributions

Are there rules for contributory defined benefit plans? A rehired veteran must be permitted to make up missed contributions required to earn a benefit accrual for the military service period.


How long do rehired veterans have to make up elective contributions? A rehired veteran has up to three times the period of service – not to exceed five years – to make up missed employee contributions. The amount of makeup contributions is subject to the limits that would have applied during the military service period.

Participant Loans

Can a plan allow for a suspension of plan loan repayments when the participant is performing military service? Yes.

What happens to the loan when the veteran is rehired? The participant must resume loan repayments with the payment frequency and amount at least equal to the pre-military schedule. The rehired veteran must repay the full loan amount (including interest accrued during the military service period) by the end of the maximum term for the original loan plus the military service period.

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Employers must fund pension benefits that a reemployed participant did not receive due to qualifying military service.

USERRA and SSCRA *continued from page 5*

Further information

USERRA is administered by the Department of Labor, through the Veterans Employment & Training Service (VETS). Information and a USERRA Resource Guide are available at www.dol.gov/vets. In addition, a list of frequently asked questions (including ones on the continuation of health care for reservists and their families) may be found at: www.dol.gov/ebsa/fags/fag_911_2.html. Questions specific to Code section 414(u) may be directed to IRS at 1-877-829-5500, or by visiting the "Customer Account Services" section of the Retirement Plans Web page at www.irs.gov/ep.

IRS/ASPA 2003 Webcast

The American Society of Pension Actuaries (ASPA) is producing a webcast on March 27th at noon EST titled "IRS/ASPA Washington Update". The update will cover recently issued regulations; a preview of what is coming and a review of potential pension legislation currently being considered by Congress.

The presenters of the webcast will be Paul T. Shultz, Esq., Director, Employee Plans Rulings and Agreements, IRS; Richard J. Wickersham, Esq., Manager, Guidance and Quality Assurance in Ruling and Agreements, IRS; and Brian H. Graff, Esq., ASPA Executive Director.

Further information on the program can be found online at:
www.aspa.org/archivepages/conferences/2003/webcast/irsaspaupdate/promo-live.htm

So mark your calendars and register today!

2003 IRS Nationwide Tax Forums

The 2003 IRS Nationwide Tax Forums will be held in six locations across the country starting in July. Each forum runs for three days and contains a variety of seminars and an exhibit hall. Tax professionals can earn up to 18 Continuing Professional Education credits at any forum.

Both Employee Plans and Exempt Organizations will make presentations at the Tax Forums. The EP seminar will explore the latest on establishing and operating "No Fuss" Retirement plans and correcting common problems. "No Fuss" plans include both SEPs and SIMPLEs. The EO seminar will be announced in the Summer edition of the *Employee Plans News*.

The IRS Tax Forum Exhibit Hall gives practitioners an opportunity to interact with Service employees and other tax professionals. Also at the Exhibit Hall, you can check out the latest tax products and services offered by the IRS. Top firms in the industry will also display their booths at the Exhibit Hall.

The locations and dates are:

Atlantic City, NJ	July 8-10	Sheraton Atlantic City
Orlando, FL	July 22-24	The Peabody Orlando
Atlanta, GA	August 5-7	Hyatt Regency Atlanta
St. Louis, MO	August 19-21	Adam's Mark St. Louis
San Antonio, TX	September 2-4	Marriott Rivercenter
Las Vegas, NV	September 16-18	Rio All Suites Hotel

To get additional information about Tax Forums, visit www.irs.gov and then go to the "Tax Professionals" section and click on 2003 IRS Nationwide Tax Forums.

White Paper Follow-up

EP has prepared and hopes soon to issue a follow-up to our [White Paper](#) on the future of the EP determination letter program. The new white paper reviews the public comments on the options for changes to the program described in the original white paper and lays out the details for how a program based on a system of staggered remedial amendment periods (one of the options in the original paper) could work. In the follow-up white paper, EP will ask for comments on whether to proceed with implementing such a system as well as other possible changes described in the new white paper. Keep checking the Retirement Plans web page at www.irs.gov/ep for the latest information.

DOL Corner

*(Editor's Note: In our last issue, the Employee Plans News provided the opportunity to one of our sister agencies - the Department of Labor's Pension and Welfare Benefits Administration (PWBA) - to tell our audience about some of their programs, priorities and initiatives. Since that issue was published, the PWBA has been re-named the Employee Benefits Security Administration (EBSA). The staff at EBSA want to let the subscribers of the **Employee Plans News** know about their name change and about some recent guidance that they have issued.)*

2003 started off big for DOL. Secretary of Labor Elaine L. Chao announced that effective February 3, DOL's Pension and Welfare Benefits Administration would change its name to the Employee Benefits Security Administration (EBSA). This will help the agency achieve its goal of improved public service by making the agency more recognizable to those it serves. EBSA will continue to expand its outreach activities to educate individuals and the business community about its programs, services and relevant federal law, and help employers and service providers comply with their obligations under the law.

EBSA may be reached by using the existing telephone, email and Web site contacts for PWBA. The agency is initiating a new toll-free assistance and publications number, 1-866-444-EBSA (3272), a new address for electronic inquiries: askebsa.dol.gov, and a new Web address: www.dol.gov/ebsa. Employers and plans do not need to modify existing summary plan descriptions to reflect the agency's name change.

Guidance on Overdraft Protection

DOL/EBSA released Advisory Opinion 2003-02A on February 12, 2003, providing employee benefit plans the flexibility to use overdraft protection in processing securities transactions. The advisory opinion states that an employee benefit plan may complete transactions in a timely manner with the security of overdraft protection services provided by a bank.

The advisory opinion provides that these services are permissible under statutory exemptions of ERISA regarding general services and bank ancillary services. In the absence of an exemption, overdraft protection services may violate ERISA's prohibited transaction rules.

The opinion can be found on the EBSA Web site under Compliance Assistance at www.dol.gov/ebsa/regs/aos/ao2003-02a.html.

The organization formerly known as PWBA is now EBSA: the Employee Benefits Security Administration

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Proposed Class Exemption on Settlement of Litigation

On February 11, DOL/EBSA published a proposed class exemption to facilitate the settlement of litigation by employee benefit plans with related parties.

The public had questions as to whether plans that release claims against related parties in exchange for cash violate the prohibited transaction provisions of ERISA. The proposed exemption would allow plans to release claims against related parties in exchange for cash. In addition, the proposal would allow related parties to pay amounts owed to plans on an installment basis.

Among other conditions, the fiduciary negotiating the settlement must have no relationship with any of the parties that could affect their best judgment as a fiduciary. The proposal should remove any uncertainty and allow plan fiduciaries to properly carry out their responsibilities under ERISA by focusing on the merits of the settlement.

The proposed exemption can be found on the EBSA Web site under Compliance Assistance at www.dol.gov/ebsa/regs/fedreg/notices/2003003393.htm. Questions or comments about the proposed exemption should be directed to EBSA's Office of Exemption Determinations at 202-693-8540.

Disclosure of Pension Plan Blackout Periods

On January 24, DOL/EBSA (then PWBA) published final rules implementing a new federal law requiring 401(k) plans to give workers 30-day advance notice of "blackout periods" when their rights to direct investments, take loans or obtain distributions are suspended. The final rules supersede interim final rules issued by the Department on October 21, 2002.

Blackout periods typically occur when plans change record keepers or investment options, or add participants due to corporate merger or acquisition.

The Sarbanes-Oxley Act of 2002 gives the Secretary of Labor authority to promulgate rules and a model notice implementing the blackout notice provisions. The act requires that participants and beneficiaries be given a 30-day advance notice of a blackout period. When a blackout period affects a plan that includes employer stock as an investment option, the plan must also notify the corporate issuer of the blackout. The law is effective for blackout periods occurring on or after January 26, 2003.

Under the final rules, 401(k) plan administrators must provide blackout notices that contain the reasons for the blackout, a description of the workers' rights that will be suspended, the length of the blackout period, and a statement advising workers to evaluate their current investments based on their inability to direct or diversify assets during the blackout period.

Changes made to the interim final rules in the final regulations include:

- Flexibility for plan administrators in describing the length of the blackout period;
- Clarification of situations that are not blackout periods such as suspensions resulting from pending qualified domestic relations order determinations and actions by individual participants; and
- A special rule for notifying an issuer of company stock who is also the plan administrator.

Failure or refusal to provide the required notice will result in civil penalties. A second set of final rules issued by the department adopts the interim final rules that provide for civil penalties of up to \$100 per day per participant for plan administrators who fail or refuse to comply with the notice requirement.

The final rule on the blackout notice can be found on the EBSA Web site under Compliance Assistance at www.dol.gov/ebsa/regs/fedreg/final/2003001430.htm. The final rule on the civil penalties is located at www.dol.gov/ebsa/regs/fedreg/final/2003001431.htm.

Request for Input on Safe Harbors for Automatic Rollovers

On January 7, DOL/EBSA (then PWBA) published in the Federal Register a request for information (RFI) from the public to assist in the development of “safe harbors” for plan administrators to follow regarding automatic rollovers of plan distributions of \$5000 or less.

The automatic rollover provisions in EGTRRA promote retirement savings by preserving workers’ retirement funds for retirement purposes rather than having them cashed out as taxable distributions.

When participants change jobs or leave the workforce, they have the opportunity to rollover their assets to an IRA or other qualified plan, or receive a taxable cash distribution. In the absence of an election by a participant, the safe harbor provisions will allow plan administrators to satisfy their fiduciary responsibilities under ERISA when they rollover participants’ balances between \$1000 to \$5000 into certain IRAs or annuities.

The 60-day comment period under the RFI closed March 10. The RFI can be found on the EBSA web site under Laws and Regulations at a257.g.akamaitech.net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2003/03-281.htm.

Clarification of Guidance on Selection of Annuity Providers as Applicable to Defined Contribution Retirement Plans

On December 18, 2002, DOL/EBSA (then PWBA) issued Advisory Opinion 2002-14A to clarify how the existing guidance on the selection of annuity providers applies to defined contribution plans. The opinion assists employers and plan fiduciaries with regard to their specific duties in offering annuities as a distribution option under such plans.

The opinion states that fiduciaries may consider costs in evaluating competing annuity products. Lower costs often mean increased benefits for participants in defined contribution retirement plans. The opinion makes clear, however, that lower costs cannot justify the purchase of unsafe annuities.

The advisory opinion can be found on the EBSA Web site under Compliance Assistance at www.dol.gov/ebsa/regs/aos/ao2002-14a.html.

For questions about the Advisory Opinions, the final Blackout Rules or the “Safe Harbor” RFI, contact EBSA’s Office of Regulations and Interpretations at 202-693-8500.

New Dollar Limitations

With a new year comes a new list of retirement plan dollar limits.

Continuing our mission to provide you with the information that you need, EP has gathered all the dollar limit numbers you need to know but didn’t know where to find and put them on the Retirement Plans web page at www.irs.gov/ep.

You’ll find dollar limits starting in 1989 and continuing all the way through 2003.

Some limits changed from 2002 to 2003 while others remain the same. Find out for yourself by clicking on [COLA Table](#) or go to the Retirement Plans web page, click on “Published Guidance” and go to “Cost-of-Living-Increases”.

Form 5500 Non-Filer Compliance Effort Continues

As a follow-up to the December 2002 mail out of more than 300 letters, the IRS is preparing another mail out to a newly identified group of potential non-filers.

In late March-early April, the IRS will mail another 300-plus letters of inquiry. This effort will be based on information from the Form 1120 database and concentrate on filers who claimed a deduction for contributions to a qualified plan but for whom a corresponding Form 5500-series filing could not be found.

As was the case with the December mail out, these letters of inquiry will give recipients the opportunity to respond before the IRS or Employee Benefits Security Administration (EBSA) follow up with additional notices (including proposed penalties).

Delinquent filers are reminded of the availability of a program to assist plan administrators in filing delinquent reports. EBSA has updated its Delinquent Filer Voluntary Compliance (DFVC) Program to substantially reduce the penalties associated with the late filing of Form 5500 return/reports and to further encourage delinquent filers to participate in the program.

Preliminary results from the December mail out indicate that a significant number of respondents used different EINs on their annual return versus the EINs used in their original determination letter request.

Additional information about this project is available from EBSA at (202) 693-8360 or the IRS at 1-877-829-5500. Information about the DFVC Program is available from the EBSA website at www.dol.gov/ebsa. You can also find information about this project on the Retirement Plans web page at www.irs.gov/ep by going to "EP Forms and Publications" under the "Topics" section and then clicking on "Joint Project".

New Schedule SSA Filing Requirement

In response to public comments, the Social Security Administration and the IRS have decided *not* to impose the new filing requirement that filers need to use multiple Pages 2, [Schedule SSA \(Form 5500\)](#) to report separated participants with deferred vested benefits.

The recently released *2002 Instructions for the Form 5500* included specific instructions directing filers that attachments to the Schedule SSA must be additional copies of Page 2 when reporting multiple separated participants. Due to the timing of this requirement and the difficulty placed on plans sponsors and administrators to meet it, *the agencies have decided not to reject any filings or to impose penalties for plans that include attachments other than Pages 2*. As in the past, filers can use non-standard attachments to satisfy their Schedule SSA filing requirements.

Informational copies of the 2002 Form 5500-series forms and schedules, along with information about the ERISA Filing Acceptance System (EFAST) and EFAST-approved software can be found at www.efast.dol.gov. The informational copies and other IRS forms and publications can also be found on the Retirement Plans web page at www.irs.gov/ep by going to "EP Forms and Publications" under the "Topics" section. Paper copies of the forms, schedules and related instructions will be available after April 4, 2003 by calling 1-800-TAX-FORM.

IRS Plans New Retirement Plan Products

The IRS will have some new retirement plan products ready soon.

Coming soon as part of the Retirement Plan Life Cycle series is a publication that explains the basics of 401(k) plans for small business owners. Watch the Retirement Plans Web page at www.irs.gov/ep for availability this summer.

Next are two products on retirement plan correction programs.

First, a free CD-ROM, *Retirement Plan Correction Programs*, Publication 4050, is scheduled to be in our distribution centers in July. It contains the latest information on IRS, U.S. Department of Labor and Pension Benefit Guarantee Corporation correction programs designed to help plan sponsors and their benefits professionals keep plans within the law and protect participant benefits. The CD-ROM contains videos and text material describing the programs, reference material and features Frequently Asked Questions and check sheets to make using the programs easier for benefit professionals.

Second, look for a publication that briefly describes the IRS, DOL and PBGC programs available to plan sponsors and benefit professionals for correcting plan administration errors and other plan defects.

The Corner of Forms and Pubs

Welcome back to The Corner of Forms & Pubs – the EP version of Hollywood & Vine. The information here at The Corner is brief although topics needing further details will get their own full-length articles (such as the article on the Schedule SSA). Our lead story at The Corner concerns the revision of Form 5310:

- The IRS recently released Announcement 2003-13 dealing with the November 2002 revision of the [Form 5310](#), *Application for Determination for Terminating Plan*. The announcement highlights changes to the form since the prior revision and its link with the [Schedule Q \(Form 5300\)](#), Elective Determination Requests. In addition, the announcement allows applicants to continue use of the June 1997 revision of Form 5310 through September 30, 2003.
- Updating information reported in the January 2003 Special Edition of the *Employee Plans News*, the 2002 Form 5500-series forms, schedules and instructions should be available from the IRS on April 4, 2003. The annual mail-out packages for both the Form 5500 and Form 5500-EZ filers of record are scheduled for no later than April 18, 2003.
- The following IRS publications dealing with pension-related topics have recently been revised and are available online or by calling 1-800-TAX-FORM:
 1. [Publication 560](#), Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans)
 2. [Publication 571](#), Tax-Sheltered Annuity Plans (403(b) Plans)
 3. [Publication 575](#), Pension and Annuity Income
 4. [Publication 590](#), Individual Retirement Arrangements (IRAs)

For further details about topics at the Corner, please visit the Retirement Plans web page at www.irs.gov/ep and go to “EP Forms and Publications” under the “Topics” section. We hope that you find this information useful. If you have suggestions or comments about forms or pubs, please contact us at RetirementPlanComments@irs.gov.

Employee Plans Published Guidance

(January 2003 – March 2003)

Revenue Rulings

[Rev. Rul. 2003-6, 2003-3 I.R.B. 286](#)

This revenue ruling describes the application of the delayed effective date of IRC section 409(p).

[Rev. Rul. 2003-11, 2003-3 I.R.B. 285](#)

This revenue ruling describes the effect of section 611(c) of EGTRRA on the nondiscrimination and coverage rules.

Notices

[Notice 2003-2, 2003-2 I.R.B. 257](#)

This notice contains transitional rules with respect to the temporary regulations of section 1.401(a)(9)-6T.

[Notice 2003-3, 2003-2 I.R.B. 258](#)

This notice pertains to alternative methods of reporting by IRA custodians.

[Notice 2003-6, 2003-3 I.R.B. 298](#)

This notice pertains to the intent to publish regulations on the nondiscrimination rules as they relate to governmental plans.

[Notice 2003-10, 2003-5 I.R.B. 369](#)

This notice pertains to the intent to publish regulations on certain contingent benefits.

Revenue Procedures

[Rev. Proc. 2003-10, 2003-2 I.R.B. 259](#)

This revenue procedure implements the substantive material in Notice 2003-2.

[Rev. Proc. 2003-13, 2003-4 I.R.B. 317](#)

This revenue procedure implements section 602 of EGTRRA which pertains to deemed IRAs.

[Rev. Proc. 2003-16, 2003-4 I.R.B. 359](#)

This revenue procedure implements section 644 of EGTRRA which pertains to certain waivers of the 60-day rollover rule.

Quick Hits

Welcome back to Quick Hits. Below are headlines of recent and expected developments.

- **New Southern California EP Office** - Effective Friday, March 28, 2003, there will no longer be an EP office in Monterey Park. The new office will be located in El Monte, California. The new address to contact the office after March 28 is:

Internal Revenue Service
Attn: TE/GE Division, 2nd Floor
9350 Flair Dr.
El Monte, CA 91731-2885

After March 28th, callers to the old Monterey Park office will be directed to the new telephone numbers in El Monte.

- **Determination Letter Applicants** – Recently, more than 300 letters of inquiry were mailed to potential non-filers of the Form 5500, *Annual Return/Report of Employee Benefit Plan*. Of that amount, a significant number of respondents used a different Employer Identification Number (EIN) on the annual return than on their original determination letter request. In many of those cases, filers had incorrectly used the Trust's EIN as opposed to the Plan Sponsor's (or Employer's) EIN when requesting their determination letter. Applicants are reminded that all determination letter requests *must* use the Plan Sponsor's (or Employer's) EIN on their Form 5300-series (i.e. Form 5300, Form 5307 and Form 6406) determination requests.

Great Lakes Area Benefits Conference

Mark your calendars for May 1-2, 2003: These are the dates for the 2003 EP Great Lakes Benefits Conference in Chicago. The EP Great Lakes Area Office of the IRS is once again partnering with the American Society of Pension Actuaries (ASPA) and over twenty other co-sponsors to present the 2003 Conference.

This conference provides pension professionals with an excellent opportunity to meet and discuss employee benefit issues with private practitioners and key government agency representatives. Attendees participate in technical sessions and can earn continuing professional education (CPE) credit. The conference agenda includes general sessions of broad interest (featuring prominent governmental and private sector speakers), a variety of relevant breakout sessions, and two keynote luncheon speakers.

In the exhibit hall, you will find EP tabletop displays featuring:

- CE&O staff and EP Program Coordinators.
- Access to the newest information concerning benefits regulation, litigation, enforcement, and compliance.
- Networking opportunities with private sector and government agency representatives.

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IRS employees contributing to this edition of the *Employee Plans News* are:

Robert Bell, Richard Ervi, James Flannery, Marty Heffron, Terri Holloway, Sharon Inge, Doug Jordan, Teresita Laureano, Peter McConkey, Todd Newman, Mark O'Donnell, Nancy Payne, Donna Prestia, Wiley Ransom, Mike Rubin, Bonnie Schaumberg, John Schmidt and Brenda Smith-Custer

CONTACTING EMPLOYEE PLANS

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

Send comments/suggestions to:

EP Customer Education
& Outreach
T:EP:CEO
Room 4C3
1111 Constitution Ave.
Washington, D.C. 20224

or FAX (202) 283-9525

or E-Mail

RetirementPlanComments@irs.gov

For **EP Taxpayer Assistance**

For retirement plans technical and procedural questions:

Please call (877) 829-5500

Or visit the EP Customer Account Services section of the Retirement Plans web page 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**

Please go to the Retirement Plans Web Page at:
www.irs.gov/ep

Great Lakes Benefits Conference *continued from page 13*

Also, during the conference you will also find EP employees at Interactive Tables answering questions on various procedural and technical areas including:

- Volume Submitter Program,
- Employee Plans Compliance Resolution System,
- Section 403(b) Tax Sheltered Annuities,
- 401(k) plans and
- Multi-Employer Plans.

Hotel reservations should be made through the Hyatt McCormick Place - Chicago.

Hyatt McCormick Place - Chicago
2233 South Martin Luther King Drive
Chicago, IL 60616
Phone: (312) 567-1234

For more information regarding the conference such as continuing education credits, and special airfares and rental car rates, please visit the ASPA website at www.aspa.org, or call them at (703) 516-9300.

Mid-Atlantic Benefits Conference

The 2003 Mid-Atlantic Benefits Conference will be held on May 13-14, at the Loews Philadelphia Hotel. This Conference is jointly sponsored by ASPA and the Mid-Atlantic Area Employee Plans, Tax Exempt/Government Entities Division of the IRS.

The Conference features panel discussions with both public and private sector participants on each panel.

It also provides a unique opportunity for attendees to meet and discuss common areas of interest with government representatives. By utilizing an interactive panel format, discussions focus on the issues that are important to attendees.

Many local and Washington-based IRS executives will be speaking at the conference with presentation topics such as:

- How to handle "lost" plan participants,
- Voluntary Compliance,
- Cash balance plans and whipsaw issues, and
- Many, many more.

The very successful "Forget-Me-Not" sessions will be back at the conference on both days.

The conference is an essential learning and interactive experience for serious pension practitioners. Please join us. For more information on this conference, please visit the ASPA website at www.aspa.org.

Hotel reservations should be made through the Loews Philadelphia Hotel at:

1200 Market Street
Philadelphia, PA 19107
Tel: (215) 627-1200

Northeast Benefits Conference

Select your date and location! The Northeast Employee Plans Area of the IRS, in association with the Northeast Area's Pension Liaison Group, the American Society of Pension Actuaries (ASPA), and the Department of Labor's Employee Benefits Security Administration (EBSA), announces this year's Northeast Benefits Conference.

NEW location! This year, the conference will be held on June 12, 2003 in Boston at the Radisson Hotel. On June 13, 2003 the conference will be repeated at the Crowne Plaza in White Plains, NY. These two sites provide area pension professionals two conveniently located conferences.

Conference attendees will hear about current regulatory, legislative, and administrative topics. The conference also provides participants an opportunity to discuss relevant issues with colleagues as well as local and national government employees from the IRS and EBSA. Throughout the day you will have the opportunity to meet and discuss your issues with scheduled IRS speakers such as:

- Carol Gold, Director of Employee Plans
- Paul Shultz, Director of EP Rulings and Agreements
- Bob Henn, NE EP Area Manager
- Janet Mak, NE/MA Area Manager for EPCRS and
- Many other government speakers at interactive workshop tables.

This year's agenda includes panel discussions on:

- The latest Washington Updates,
- DOL and Title I issues (including HIPPA, Investment Advice vs. Education, Compliance),
- Late breaking developments and regulations (including the anticipated 401(k) regs),
- Darling You Hardly Noticed (a compilation of all required IRS notices) and
- IRS Audits & EPCRS.

These issues and a number of other important topics will be discussed. Please visit the ASPA website at www.aspa.org for more information and to pre-register for the Northeast Benefits Conference or contact the ASPA Meetings Department at (703) 516-9300.

Cincinnati Employee Benefits Conference

The 16th Annual Cincinnati Employee Benefits Conference is scheduled for Thursday and Friday, June 19 and 20. This year's session will be held in the meeting hall of the Cincinnati Bar Association's new downtown offices at 225 East Sixth Street. The IRS and the Department of Labor's Employee Benefits Security Administration (EBSA) are co-sponsors of the conference.

The conference will feature panel discussions including both Washington, D.C.-based EP personnel and others from the centralized determination letter site in Cincinnati. Preston Butcher, Director, EP Examinations will discuss noteworthy developments within his jurisdiction and Sal Tripodi will provide a half-day session on what's new in employee benefits law and practice.

The IRS and EBSA will have information booths outside the meeting hall where attendees will have the opportunity to informally discuss matters of interest with IRS and EBSA representatives.

At this writing, conference speakers and specific agenda topics are being finalized but count on sessions featuring the latest developments. Experience indicates this is not a conference to be missed. For additional information, contact the Cincinnati Bar Association's Continuing Legal Education Department at (513) 381-8213.

Mountain States Benefits Conference

The IRS, in association with the American Society of Pension Actuaries (ASPA) and the Western Pension and Benefits Conference (WP&BC), announces the Mountain States Benefits Conference. The conference will be held on Thursday and Friday, September 11 and 12, at the Hyatt Regency Denver. The conference will feature speakers from the IRS (both local and Washington offices), Department of Treasury, Department of Labor (EBSA) and Congressional staff and ASPA.

For more information regarding the conference such as continuing education credits, and special airfares and rental car rates, please visit the ASPA website at www.aspa.org, or call them at (703) 516-9300.

Hotel reservations should be made through the Hyatt Regency Denver.

1750 Welton St.
Denver, CO 80202
Phone: (303) 295-1234

Calendar of EP Benefits Conferences

UPCOMING EVENTS...

Name	Date(s)	Location	Non-IRS Co-Sponsor(s)	For Further Information, Please Contact
Great Lakes Benefits Conference	05/01/03-05/02/03	Chicago, IL	ASPA & other cooperating sponsors	
Mid-Atlantic Benefits Conference	05/13/03-05/14/03	Philadelphia, PA	ASPA	www.aspa.org or ASPA Meeting Department (703) 516-9300
Northeast Benefits Conference (2 Locations)	06/12/03-06/13/03	Boston, MA & White Plains, NY	ASPA & NE Area Pension Liaison Group	
16th Annual Cincinnati Employee Benefits Conference	06/19/03-06/20/03	Cincinnati, OH	Cincinnati Bar Association	Education Department (513) 381-8213
Mountain States Benefits Conference	09/11/03-09/12/03	Denver, CO	ASPA and WP&BC	www.aspa.org

RECENT EVENTS...

Name	Date(s)	Location	Non-IRS Co-Sponsor(s)	For Information, See
Los Angeles Benefits Conference	01/30/03-01/31/03	Los Angeles, CA	ASPA & other cooperating sponsors	EP Benefits Conferences Calendar at www.irs.gov/ep
SWBA/IRS 13th Annual Employee Benefits Conference	10/21/02-10/22/02	Dallas, TX	Southwest Benefits Association (SWBA)	

Internal Revenue Service
Tax Exempt and Government
Entities Division

Department of the Treasury

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