



Ascensus

In Touch

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Recent Legislation

New laws and IRA guidance change IRA rules on a regular basis and sometimes require updates to plan documents and forms. In 2008, new laws—including the Worker, Retiree, and Employer Recovery Act of 2008—made big changes to Traditional, Roth, and SIMPLE IRAs. Some of the key changes include

- waiving 2009 RMDs and beneficiary life expectancy payments,
- allowing rollovers of certain airline bankruptcy settlement payments to Roth IRAs,
- eliminating certain restrictions for Roth 401(k)/403(b) rollovers to Roth IRAs,
- extending the time for taking qualified charitable distributions from Traditional and Roth IRAs,
- allowing rollovers of Exxon Valdez settlement payments to Traditional and Roth IRAs, and
- providing for Midwestern area disaster-related tax relief.

Ascensus has updated its forms and documents, making it easy for you to take the next steps.

Step 1 – Notify Your Clients

While the IRS has not issued specific amendment guidance for these changes, the law requires disclosure statements to be current. So Ascensus has updated the disclosure statements that are contained in its IRA *Simplifier*®. These changes need to be communicated to your account holders as soon as possible.

We can help you provide Ascensus *Disclosure Statement Amendments* to your existing IRA holders and to individuals establishing new IRAs.

Step 2 – Update Your Forms Inventory

To provide current IRA documents, you should use updated IRA *Simplifiers* to open new accounts. If you have a large inventory of our *Simplifiers* on hand, simply purchase the appropriate *Disclosure Statement Amendments* and use them with your existing stock of *Simplifiers*.



Contact Us

Feel free to call your
 Regional Sales
 Representative
 at 800-346-3860, or
 visit our website:
www.ascensus.com.

Recent Legislation

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Step 3 – Train Your Staff

Your IRA sales and operations staff needs to understand how these changes affect their day-to-day operations. Ascensus offers a variety of training opportunities for your financial organization. Ascensus webinars are a fast and effective way of training your staff—at one time, in one location, for one low fee. Additionally, we can provide onsite training so that each area of your organization receives training specific to its core

functions. Customized sessions can incorporate your existing forms and documents and internal processes. Whatever the need, Ascensus can help.

If you want to discuss these law changes and the Ascensus solutions, please contact your Sales Representative at 800-346-3860 or email customersupport@ascensus.com. We'll be happy to answer your questions.



Are you aware of your Prototype Document Sponsor responsibilities?

Revenue Procedure 2005-16 (sections 8, 11.01, 11.02)

1. You must make reasonable and diligent efforts to ensure that adopting employers amend their plans when necessary, including 1) notifying employers of required document amendments and deadlines for such amendments, and 2) providing copies of the amendments for adoption.
2. You must maintain (or have maintained on your behalf) and provide to the IRS when requested, a list of employers that have adopted plans using your documents.
3. You must notify employers of potential plan disqualification—and the resulting consequences—in cases where you can reasonably conclude that an employer's prototype plan may no longer be qualified. You must also inform these employers of the plan correction programs made available by the IRS under Rev. Proc. 2008-50.

Do your employer clients know their responsibilities?

1. Proper plan documents, including timely amending
2. Proper notices to participants
3. Proper funding of plans

IRS Mandates & Guidance for Restatement

Revenue Procedure 2007-44 (sections 5, 6, 7, and 8)

- Six-year restatement cycles for prototype and volume submitter plans (e.g., EGTRRA – April 30, 2010)
- Amendment deadlines

Plan Amendments Since GUST Restatement

- EGTRRA Good-Faith – Amend by September 30, 2003
- RMD Regulations – Amend by the last day of 2003 plan year, or 2002 if regulations implemented earlier
- Automatic Rollovers – Amend no later than 1) December 31, 2005, 2) the last day of the plan year that includes March 28, 2005, or 3) the employer's tax-filing deadline (plus extensions) for the tax year that includes March 28, 2005
- 401(k)/401(m) Regulations – Amend 401(k) plan by the last day of the plan year beginning after December 31, 2006, or 2005 if regulations implemented earlier
- Auto Enrollment Regulations (discretionary) – Amend by the last day of the plan year in which plan implements this feature

EGTRRA Restatement Continued from page 2

- Roth 401(k) Regulations (discretionary) – Amend by the last day of the plan year in which plan implements feature
- KETRA – Hurricanes Katrina/Wilma/Rita Good-Faith Amendment (discretionary) – Amend by the last day of the first plan year beginning on or after January 1, 2007
- IRC Sec. 415/411 Regulations – 411 Amendment: Amend by the last day of the 2007 plan year; 415 Amendment: Amend by the 2008 tax-filing deadline (plus extensions) for calendar year plans, and by the tax-filing deadline for limitation years beginning on or after July 1, 2007, for noncalendar years

Risks of Not Amending or Restating

Risks for the Employer

Failure to properly amend and restate qualified plans can result in the following.

- Corrections program with the IRS—fees and penalties assessed to each employer using the document.
- Disqualification of the employer plan and participant accounts—each participant account may be required to be distributed and taxed.

Risks for the Financial Organization

- Employers who suffer losses may seek damages against financial organization who has offered the prototype document
- Loss of prototype document for retirement business

Employer Penalties for Missed Amendments Discovered During Audit

Revenue Procedure 2008-50

Number of Participants	EGTRRA/ subsequent legislation	GUST/ 401(a)(9) Regs	UCA/ OBRA '93	TRA '86	T/D/R	ERISA
20 or fewer	\$ 2,500	\$ 3,000	\$ 3,500	\$ 4,000	\$ 4,500	\$ 5,000
21-50	\$ 5,000	\$ 6,000	\$ 7,000	\$ 8,000	\$ 9,000	\$10,000
51-100	\$ 7,500	\$ 9,000	\$10,500	\$12,000	\$13,500	\$15,000
101-500	\$12,500	\$15,000	\$17,500	\$20,000	\$22,500	\$25,000
501-1,000	\$17,500	\$21,000	\$24,500	\$28,000	\$31,500	\$35,000
1,001-5,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000
5,001 – 10,000	\$32,500	\$39,000	\$45,500	\$52,000	\$58,500	\$65,000
Over 10,000	\$40,000	\$48,000	\$56,000	\$64,000	\$72,000	\$80,000

Reminder

The restatement of all defined contribution prototype documents must be completed by April 30, 2010.

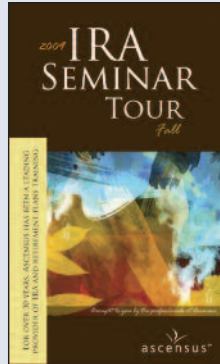


Upcoming Events

Ascensus education offerings include a review of the Worker, Retiree, and Employer Recovery Act of 2008, specifically, the 2009 RMD waiver.

IRA Seminar Tour

Learn about the affects of recent legislation, including TIPRA, HEART, the Economic Stimulus Act, and the changes to IRAs when you attend one of these Ascensus seminars in September.



- *Arizona*
Scottsdale—Sept. 29 & 30
- *California*
San Francisco—Sept. 24 & 25
Sherman Oaks—Sept. 22 & 23
- *Minnesota*
Brainerd/Baxter—Sept. 16 & 17
Minneapolis—Sept. 23 & 24
- *Missouri*
Cape Girardeau—Sept. 22 & 27
Columbia—Sept. 23
Kansas City—Sept. 25
Springfield—Sept. 24
- *Nebraska*
Lincoln—Sept. 21 & 22
North Platte—Sept. 23 & 24
- *North Dakota*
Bismarck—Sept. 29 & 30
- *Wisconsin*
Appleton—Sept. 15
Eau Claire—Sept. 17 & 18
Stevens Point—Sept. 16

IRA Institute

The *IRA Institute*, an intensive 5-day program, teaches IRA professionals detailed, essential IRA information. The *IRA*



Institute is an excellent program for individuals preparing to take the Certified IRA Services Professionals (CISP) or Certified IRA Professional (CIP) exam.

- Brainerd, MN – September 27–October 2, 2009
- Minneapolis, MN – May 17–21, 2010
- Denver, CO – September 20–24, 2010

IRA Online Institute

The *IRA Online Institute* is a comprehensive 12-week program, developed and supported by experienced, professional instructors. Ascensus designed this program to teach you vital IRA information using an interactive format.



- September 7–November 29, 2009
- March 1–May 23, 2010
- September 6–November 28, 2010

For information regarding the CIP or CISP examinations, contact an Ascensus Customer Service Representative at 800-346-3860.

Ascensus Webinars

When you train your staff through webinars, you do not settle for a “one size fits all approach.” You choose the webinar, the audience, and the date and time. This will allow you to effectively manage your business operations as you ensure that your staff is properly trained on the topics you deem most appropriate.



Visit www.ascensus.com for a complete list of Ascensus training solutions.





Fall Forum 2009 Silver Anniversary

Consider attending *Fall Forum!*

Chicago IL – September 21–23

Tampa, FL – October 5–7

Boston, MA – October 19–21

San Diego, CA – November 9–11

For additional information and to register, please visit
www.FallForum09.com. We look forward to seeing you there!

Visit our website, www.ascensus.com, for additional information
on all the Ascensus training opportunities.



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