

# Retirement News for Employers

Helping Business Owners with Retirement Plans

Internal Revenue Service

Tax Exempt and Government Entities

## ***Retirement News for Employers - Practical Information on All Things Retirement-Related***

The ***Retirement News for Employers*** has plain-language information on the world of retirement plans. Although it's designed primarily for small business owners, it is useful and informative for persons in businesses of any size.

Please feel free to share this promotional copy with family members, friends and neighbors - anyone you know with a business. The ***Retirement News for Employers*** has helpful information on topics such as:

- Free retirement products available from the government;
- Filing and contribution deadlines for retirement plans;
- Retirement seminars;
- Getting an EIN fast;
- And much, much more.

Each quarter, we'll email subscribers a link - no huge PDF files that'll clog up your email inbox - to the latest issue. And the only way to get this online publication is by subscribing - we don't make paper copies.

The ***Retirement News for Employers*** is available only on the internet. When each new edition is available we'll just send you a message containing a clickable link. To subscribe, just go the Retirement Plans Community web page at [www.irs.gov/ep](http://www.irs.gov/ep), click on "Newsletters" and then on "Retirement News for Employers." It is that easy!

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## **Retirement Plans and the IRS**

The ***Retirement News for Employers*** is published by the Employee Plans Division of the IRS. Employee Plans (EP) was created by law in 1975. That law - the Employee Retirement Income Security Act, or ERISA - was passed by Congress and signed by President Gerald Ford to help protect the retirement benefits of active and retired employees.

The reason EP was created within the IRS was that retirement plans are the largest legal tax shelter in the country. Did you know that retirement plans - including IRAs, 401(k) plans and traditional retirement plans - contain more than \$10 *trillion* in assets? That's roughly equal to the U.S. Gross Domestic Product. Over 1 million plans provide retirement security for over 100 million participants.

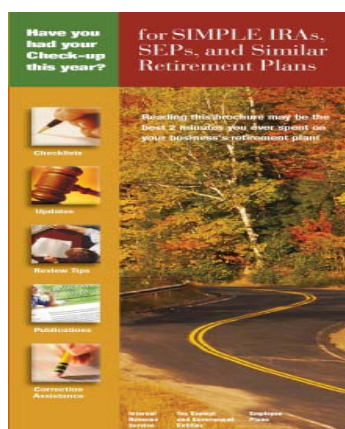
It's EP's responsibility to ensure that retirement plans meet the requirements of the tax law, the Internal Revenue Code. The ***Retirement News for Employers*** is one way that EP helps folks understand those requirements.



Each edition of the **Retirement News for Employers** features **Product Profile**, the column that spotlights a new retirement plan publication. Examples in **Product Profile** include SIMPLE IRA Plans for Small Businesses and Have you had your Check-up this year? (for SIMPLE IRAs, SEPs and Similar Retirement Plans).

**From the Spring 2005 Product Profile:**

The IRS and U.S. Department of Labor’s Employee Benefits Security Administration have jointly issued a publication to provide answers to your questions. *SIMPLE IRA Plans for Small Businesses* (**Publication 4334**) is a plain-language publication that provides you with basic information dealing with establishing and operating a SIMPLE IRA.



**From the Fall 2004 Product Profile:**

Does your business sponsor a SIMPLE IRA, SEP or SARSEP plan? Just as you need to give your car periodic check-ups to ensure that you have a solid, well-oiled, dependable machine when you need it, a retirement plan needs regular attention and care to keep it operating well.

The IRS has a new publication to help you maintain your plan and participant benefits. *Have you had your Check-up this year? (for SIMPLE IRAs, SEPs, and Similar Retirement Plans)* (**Publication 4405**) is a plain-language publication that provides you with basic information.

## Retirement Product Profiles, Updates on the Newest Ret All the retirement news that fits... the Retirement New

*Our colleagues at the Department of Labor are also regular contributors with their guest column, **DOL News**.*

**From the Winter 2005 Edition of DOL News:**

### **Duties of a Directed Trustee**

On December 17, 2004, DOL/EBSA issued guidance on the responsibilities of a directed trustee under the Employee Retirement Income Security Act (ERISA).

The guidance clarifies that a directed trustee is a fiduciary under ERISA, responsible for carrying out its duties prudently and solely in the interest of the participants and beneficiaries of employee benefit plans. The FAB also makes clear that the named fiduciary, not the directed trustee, is primarily responsible for ensuring the prudence of plan investment decisions. A directed trustee is only required to question the directing fiduciary’s instructions regarding transactions involving publicly traded securities in rare circumstances.



*The IRS Director of EP Examinations also has a regular feature called Critical FewPoints, where he shares information on EP examination and enforcement work. He shares findings that will help plan sponsors avoid some common problems or worse, abusive transactions and schemes.*

*Another popular feature in each edition of the Retirement News for Employers is our **The Fix Is In: Common Plan Mistakes** column. In each issue of the Retirement News for Employers we present a common mistake that happens in retirement plans. We describe the problem, how it happened, how to fix it and how to lessen the probability of the problem happening again.*

*Issues we've discussed so far include:*

- Failure to Obtain Spousal Consent;
- Problems with the Timeliness of Minimum Distributions;
- Vesting Errors in Defined Contribution Plans.

*We've even archived all **The Fix Is In: Common Plan Mistakes** columns on our web page, [www.irs.gov/ep](http://www.irs.gov/ep).*

*We know that despite all of your good efforts, mistakes can happen. In that case, the IRS can help you correct the problem and retain the benefits of your retirement plan for you, your business and your employees.*

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## Retirement-Related Forms, Columns From DOL and more: News for Employers.

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*The Retirement News for Employers also contains the latest information in the world of retirement plan forms in **The Filing Cabinet**. Here's a sample from a recent article:*

*From the **Spring 2005 Filing Cabinet**:*

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

### **Form 5500-EZ – To File or Not To File?**

If you sponsor a single-participant plan (meaning you, or you and your spouse are the only participant(s)), you should generally file the **Form 5500-EZ, Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan** and an *Annual Return of Fiduciary of Employee Benefit Trust* (Schedule P) for each plan you maintain.

### **Animal, vegetable or mineral: What is a 401(k) plan?**

Many small employers/sponsors who file Form 5500-EZ and have adopted a 401(k) plan are calling our customer service folks wondering what “plan type” to check for item 6 of **Form 5500-EZ, Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan**.



Our web page [www.irs.gov/ep](http://www.irs.gov/ep) is updated frequently. Bookmark us now. You'll thank us later.

**The Retirement News for Employers also keeps you up to date on information posted to the Retirement Plans Community web page at [www.irs.gov/ep](http://www.irs.gov/ep).**

The page has a new look and now has even more information designed for members of the small business community. The new look features breaking news items like the new rules on benefit and contribution limits and other new guidance.

Our page now also features more information written just for business owners. Just go to our [web page](#) and click on “Plan Sponsor/Employer” under the “Information For” heading on the left side of the page.

We know that when it comes to retirement, a business owner’s needs and interests are different from those of benefits professionals.



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***If it’s about Business Owners and Retirement, you’ll find it in the Retirement News for Employers:***

- **IRA Resource Guide: On CD and Online (*Spring 2005*)**
- **Choosing a Tax Professional (*Summer 2005*)**
- **Retirement Savings Contribution Credit (*Winter 2005*)**
- **The 2005 Dollar Limitations (*Fall 2005*)**

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*Need Help?*

Call toll-free: (877) 829-5500

*Want to know more about retirement plans?*

Visit the Retirement Plans Community web page at [www.irs.gov/ep](http://www.irs.gov/ep).



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**The Retirement News for Employers -**

- *Free Information on the web*
- *Updates on New Rules and Laws*
- *Fixing Problems*
- *Filing Information and Seminar Info*

***All of these and more, delivered four times a year in full-color and in easy-to-read PDF format.***

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