

**Employee Benefit Plan  
Affiliated Service Groups  
(Worksheet Number 10 – Determination of Qualification)**

**INSTRUCTIONS** — All items must be completed unless otherwise indicated. In the absence of further instructions, a “Yes” answer generally indicates a favorable conclusion is warranted while a “No” answer indicates a problem exists. Please use the space on the worksheet to explain any “No” answer. (Numbers in brackets refer to EDS paragraph numbers.) See Publication 7005 Explanation 10, for guidance in completing this form.

The technical principles in this worksheet may be changed by future regulations or guidelines.

Name of Plan

**I. Required Information**

Plan Reference	Yes	No	N/A
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a. Has the employer submitted all the information indicated in section 5.01 of Rev. Proc. 85-43 that is needed for a determination as to the effect of section 401(m) upon the plan’s qualified status? (If the answer is “No,” do not complete the remainder of this worksheet.) [1002]

**II. Management Organizations**

a. Is the principal business of one of the organizations involved in this request the performance of management functions on a regular and continuing basis for another organization? (“Another organization” includes one or more organizations related within the meaning of section 144(a)(3) of the Code.) (If the answer is “No,” proceed to Part III.) [1011]

b. Is the management function being performed in this case the type historically performed by employees of organizations in the same line of business as the managed entity? (If the answer is “Yes,” the organization and any organizations receiving the services are members of an affiliated service group, and Part V of this worksheet must be completed. If the answer is “No,” there is no affiliated service group formed by reason of section 414(m)(5) of the Code; proceed to Part III.) [1012]

**III. A Organizations**

a. Are at least two members of the potential affiliated service group service organizations? (If the answer is “No,” proceed to Part IV.) [1012]

b. Is at least one member of the potential affiliated service group a partnership or professional service corporation that is a service organization (potential First Service Organization, or FSO)? (If the answer is “No,” proceed to Part IV.) [1022]

c. Is at least one of the service organizations that are members of the potential affiliated service group a shareholder or partner in the potential FSO? (If the answer is “No,” proceed to Part IV.) [1023]

d. Does the service organization referred to in III.c that is a shareholder or partner in the potential FSO either:

(i) regularly perform services for the potential FSO, or

(ii) regularly associate with the potential FSO in providing services to third parties?

(If the answer to either (i) or (ii) is “Yes,” an affiliated service group is formed and Part V of this worksheet must be completed. The partnership or professional service corporation referred to in III.b is an FSO and the service organization referred to in III.d is an A Org.) [1024]

**IV. B Organizations**

a. Is one or more of the service organizations (potential FSOs and/or A-Orgs.) receiving services from another organization that is also a potential member of the affiliated service group and not an FSO or A-Org? (If the answer is “No,” proceed to Part V.) [1031]

b. Do highly compensated employees of the potential FSO or A-Org. own, actually or constructively, in the aggregate, 10 percent or more of one or more organizations from which the potential FSO or A-Org. receives services? (If the answer is “No,” do not complete the remainder of Part IV.) [1044]

IV. B Organizations (continued)	Plan Reference	Yes	No	N/A
c. Are the services performed for the potential FSO, or any A-Org. of that organization, the type of services historically performed by employees in the service field of the FSO and/or A-Org.? (If the answer is "No" for any potential B-Org., do not complete the remainder of Part IV for that organization.) [1033]				
d. Is the potential B-Org's Service Receipts Percentage at least 5 percent? (Do not complete the remainder of Part IV for any potential B-Org for which the answer is "No.") [1034]				
e. Is the potential B-Org's Total Receipts Percentage 10 percent or more? (If the answer is "Yes," the organization is a B-Org and Part V of this worksheet must be completed. If the answer is "No" for any organization being considered, complete question f.) [1035]				
f. If the receipts from services provided to the potential FSO or its A-Orgs are equal to or greater than 5 percent of the potential B-Org's total receipts from services, but less than 10 percent of total receipts, then, based on facts and circumstances, is that portion of the services rendered to the potential FSO a significant portion of total services rendered by the potential B-Org? [1036]				
<b>V. Qualification Requirements</b>				
<i>If the answer is "Yes" in Part II.b., Part II.d., or Part IV.e. or f., the organizations to which the "Yes" answers apply comprise one or more affiliated service groups and the questions in this part must also be answered.</i>				
a. Does the plan's definition of "employer" include all employers that are members of the affiliated service group or groups of which the employer is a member? [1041]				
b. Considering all employees of all organizations that are members of an affiliated service group with the applicant (pursuant to Parts II, III, or IV.e. and f. above) as employed by the employer, does the plan of each applicant organization meet the requirements of sections: [1043]				
(i) 401(a)(3)				
(ii) 401(a)(5)				
(iii) 401(a)(7)				
(iv) 401(a)(16)				
(v) 401(a)(17)				
(vi) 401(a)(26)				
(vii) 410				
(viii) 411				
(ix) 415				
(x) 416				
(xi) 408(k)				
(xii) 408(p)				

**Comments**