

## **Mandatory IRS Restatement Q & A**

Q. Do I have to restate my plan document?

A. Yes, if you sponsor a 401(k), Profit Sharing or Money Purchase Pension Plan the IRS requires you to restate your plan document.

Q. What if I don't restate my document?

A. The IRS will disqualify your plan which can lead to various taxes and penalties and loss of deductions.

Q. When do I have to restate my document?

A. Generally, your plan must be restated by April 30, 2010.

Q. Is there going to be a cost for this restatement?

A. Yes, an invoice will be sent with your new document binder.

Q. Can I pay for this out of my plan assets?

A. Yes, although most plan sponsors pay this from their business in order to deduct the expense.

Q. Can I electronically send the updated Summary Plan Description to my plan participants?

A. Yes, as long as all plan participants have reasonable access to the electronic media and the administrator uses measures "reasonably calculated to ensure actual receipt."

Q. Is this a good time to make changes to my current plan?

A. This is the perfect time to amend any of the provisions of your current plan (i.e. eligibility, vesting, trustees, contribution allocations, etc.). There will not be any additional charges if the changes are made during the restatement process.

Q. How often do I have to restate my document?

A. Under the IRS' new restatement program you will be required to restate your plan document every six years.

Q. Do I have to use Bidwell Consulting Services (BCS) to restate my plan?

A. No, you are welcome to use any qualified third party administrator. However, any plans that are administered by BCS have to be on our pre-approved IRS document.

Q. My last document was written by a different third party administration firm. Can you still restate it?

A. Yes, we are able to restate a plan for any plan sponsor.

Q. I have a Defined Benefit Pension Plan. Do I need to restate it?

A. The IRS has not yet approved the Defined Benefit Pension Plan document. We expect this to happen sometime in 2010 or 2011.