

1) Update on EGTRRA restatements

As discussed several times in previous newsletters and other correspondence, most plans adopted before mid-year 2008 must be "restated" (re-written) to include provisions from the 2001 tax act, generally known as EGTRRA. We're in the midst of this process and if you haven't received a letter from us already, you will soon. As this is written, this is a once every six year event, whether we need it or not - but this is the very first "cycle" and we'll see if the IRS follows through on this game plan.

2) e-filing coming next year!

Effective for plan years beginning in 2009, all plan tax returns (Form 5500 and 5500-EZ) must be filed electronically. We've been learning about procedures and will continue to educate ourselves to get ready for the filing crush in early 2010. One thing we know is that we can't finish a filing without you (the plan sponsor) participating in an on-line "signing ceremony" of some sort. It sounds like a nuisance, but as always, we'll try to make this as easy as possible. One good thing - we'll know for sure that a return is filed! *(Note - if your plan terminated in 2009, we can and will use the old scan-able paper forms to file the final return for the year beginning in 2009, as long as it is done before the new system is available.)*

3) A new designation for Ed: ERPA

As of May 15, 2009, I'm now an "ERPA" - Enrolled Retirement Plan Agent. This is a new designation created by the IRS specifically for those of us who specialize in retirement plan services, and allows us to communicate with the IRS more effectively on your behalf. The first-ever exams for this designation were held in February, and I'm in the first group (agent #16) to pass the tests and meet other requirements to attain the designation.

There are a couple of side effects - 1) I have to be even more careful about preparing returns, and 2) most correspondence will include a "Circular 230" disclaimer as follows:

IRS regulations require us to advise you that, unless otherwise specifically noted, any federal tax advice in this communication (including any attachments, enclosures, or other accompanying materials) was not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding penalties; furthermore, this communication was not intended or written to support the promotion or marketing of any of the transactions or matters it addresses.

Most government projects that were underway are being reconsidered by the new administration, so we have a bit of a breather on new rules and regulations. Enjoy the summer!

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