

**Consulting Offices:**  
Omaha, Nebraska  
Albuquerque, New Mexico  
Rochester, Minnesota

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Administrative Office:**  
Tucson, Arizona

# Ask Kidder.®

## What do we mean by "Ask Kidder?"

**As you've no doubt noticed, Kidder Benefits Consultants has a new logo and a new look!** Since our firm was founded in 1996, we have become known for expertise and innovation in the qualified plan marketplace. We have built an outstanding professional staff and strong client relationships. We have established successful regional offices in the Midwest and Southwest. And we've grown to serve more than 1,000 plans with thousands of participants and nearly \$1 billion in qualified plan assets.

"Ask Kidder" focuses on our knowledge and experience, as well as our ongoing dedication to delivering outstanding service, support and information to our clients and their advisors. It will be reflected in the marketing, proposal and administration documents you receive, as well as in our advertising, this newsletter and new website, [www.askkidder.com](http://www.askkidder.com).

## How often must Summary Plan Descriptions be updated?

**According to ERISA Section 104(b)(1), an updated Summary Plan Description (SPD) must be provided to all plan participants at least once every five years,** unless no changes have been made to the plan at any time during the five-year period. The updated SPD must integrate all plan amendments made within the last five years. Under ERISA Section 502(c)(1), a penalty of \$110 per day per participant may be assessed if an updated SPD is not provided in a timely manner.

At Kidder, our job is to make sure your plan is in compliance with this ERISA requirement. If we determine that an update is needed, we will contact you to prepare the necessary documents. Updated SPDs must be distributed to "All Participants" in the plan.

"All Participants" include:

- any employee who is eligible for the plan;
- any former employee who still has a balance in the plan; and
- any beneficiary of a deceased former employee whose balance is still held by the plan.

## How often must Plan Documents be fully restated?

**The IRS has developed a new restatement procedure under which every plan document must be fully restated every five or six years.** This requirement applies to both Defined Contribution (DC) plans (Profit Sharing, 401(k), Money Purchase, Target Benefit, ESOPs) and Defined Benefit (DB) plans. The IRS has established a five-year restatement cycle for Individually Designed plans and a six year restatement cycle for Pre-Approved plans.

A Pre-Approved plan is a prototype or volume submitter document. Most plans use pre-approved documents and are subject to the 6-year restatement cycle. **The IRS controls the actual opening and closing of the required restatement period for Pre-Approved plans.** We expect that the DC EGTRRA restatement cycle will open in March or April of 2008 and remain open for possibly 24 months. The DB EGTRRA restatement cycle will open in 2010. Kidder Benefits Consultants is already listed as a DC document sponsor for EGTRRA (see pages 68 and 69 at [http://www.irs.gov/pub/irs-tege/egtra\\_list.pdf](http://www.irs.gov/pub/irs-tege/egtra_list.pdf)). We have also signed up as an EGTRRA DB document sponsor. (The official sponsor list will be available in late 2008 or 2009).

**Will Summary Plan Descriptions (SPDs) need to be updated prior to the EGTRRA restatement?** If your SPD has not been updated during the last five years, the answer is "Yes." Due to the number of required IRS amendments over the past several years, virtually all plans have been amended since 2002, requiring an updated SPD to be distributed. KBC will contact you if your SPD is required to be updated.

An Individually Designed plan is subject to the five-year restatement cycle. This type of plan includes ESOP/stock bonus plans, cash balance plans, non-ERISA church plans, multiemployer union plans and 414(k) plans. The restatement deadline will depend on the last digit of your organization's EIN.

**NOTICE:** Any tax advice expressed in this communication (including any attachments) is not intended to be used, and cannot be used, for the purpose of avoiding penalties imposed on the taxpayer by any government taxing authority or agency. If any such tax advice is made available to any person or party other than the party to whom the advice was originally directed, then such advice is to be considered as being delivered to support the promotion or marketing of the transaction or matter discussed or referenced. Each taxpayer should seek specific tax advice based on the taxpayer's circumstances from an independent tax advisor.