

## Required Plan Amendments

The purpose of this Information Release is to advise you that there are several amendments that must be made to all retirement plans over the next few years. The deadlines are different for each plan. We want you to be aware so that they will not come as a surprise. This Information Release does not include a discussion of the amendments that will be required by the newly enacted Pension Protection Act of 2006. Amendments to comply with this new law are unlikely to be required until 2009.

### Amendments for Plan Years beginning in 2006

Your plan may require one or more amendments to be adopted by the last day of the plan year beginning in 2006 (December 31, 2006 for calendar year plans.) For example:

- ✓ 401(k) plans require several changes including the requirement to specify the new safe harbor categories for hardship withdrawals.
- ✓ If you sponsor a defined benefit plan, some of these plans need to be amended to change the way lump sum benefits are calculated.

### Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA")

The pension law changes brought about by EGTRRA were so extensive that virtually all qualified retirement plan documents will need to be completely restated. That is, a new plan document will be created to replace the existing document. The deadline for adopting the new, restated document varies depending on a number of factors. Your Kravitz consultant will advise you regarding the deadline(s) that apply to your plan(s). The earliest deadline is January 31, 2007, but the deadline for some plans could be as late as 2011 (or even later.)

### What Kravitz Is Doing

We are developing the legal documents needed to comply with changes in the law so that plan sponsors can adopt the amendments they need on a timely basis. We will advise our clients regarding which amendments need to be made to their plans.

*Louis Kravitz & Associates, Inc. is the largest firm of retirement consultants headquartered in California. Our consultants, actuaries and other specialists have the experience and ability to make certain your retirement plans are properly designed, meet your needs and operate to your satisfaction. We have been dedicated to providing high quality service since our firm was founded in 1977.*