



Step-by-Step Defined Benefit Plan Administration Transfer

Pension Services, Inc.

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Step By Step Defined Benefit Plan Transfer

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- Census Request Form (also available at www.PensionSite.Org)
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Steps for a Successful Transfer

Step 1: Submit your current DB plan's documentation

The very first step is to gather the following documents from your current Defined Benefit plan and send them to Pension Services, Inc. for review.

- Pension Services, Inc. Client Engagement Letter (Pages 9-11)
- Plan Adoption Agreement with any amendments
- Summary Plan Description
- IRS Favorable Determination Letter, if available
- Form 5500 and Attachments for the Last 2 Years
- Actuarial Valuations for the Last 2 Years
- Current census (Pages 6 and 7)
- Completed Plan Takeover Questionnaire (Pages 12 through 19)
- Most Recent Monthly Statement of Plan Assets
- Year end Statement of Plan Assets for the Last 2 Years
- Compensation History for ALL employees (both Part Time and Full Time) for the last 2 years
- Takeover fee of \$1,500

Step 2: Review new DB plan provisions

Following Pension Services Inc.'s review of your current plan, a

conference call will be scheduled. We will discuss any changes to the plan and agree on provisions for the new plan. We will also explain the conversion process and the role we play.

At this time you should also review your contract with your current TPA and determine if there are any notice requirements for terminating their services. Note that you may incur additional annual administration charges if you do not notify them of termination in a timely manner.

Step 3: Notify Your Previous TPA

Per the provisions of your contract, notify your previous TPA that their role as administrator is severed. A sample letter is included on page 8.

Schedule of Fees

Takeover Fee\$1,500

**There may also be an IRS User Fee ranging from \$125 to \$1,000. This fee is payable directly to the U.S.Treasury.*

ADMINISTRATION SERVICES PER PLAN YEAR

Base Annual Charge:.....\$2,250

Participant Distribution Calculations and Forms:.....\$100 per participant

Accounting:.....\$125 Per hour

Participant Charge:.....\$50 per participant

Most defined benefit plans have Pension Benefit Guaranty Corporation (PBGC) Coverage. PBGC is a quasi-governmental corporation that insures pension benefits. PBGC charges a flat premium for coverage of approximately \$30 per participant plus a variable premium based on plan assets versus liabilities.

Neither Pension Services, Inc. nor its officers or employees dispense legal advice. You are advised to seek the counsel of competent legal and accounting professionals prior to implementation.

Unless otherwise expressly indicated and to ensure compliance with Treasury Regulations (31 CFR Part 10, Section 10.35), any federal tax advice contained in this illustration is not intended or written to be used, and cannot be used, for the purpose of avoiding federal tax penalties that may be imposed by the federal government or for promoting, marketing or recommending to another party any tax-related matters addressed herein. Further, any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor with respect to any Federal tax transaction or matter contained in this document.

Pension Services, Inc.
CONFIDENTIAL SURVEY DATA
P.O. Box 1869
Winter Park, FL 32790-1869
Email: Bill@PensionSite.Org
www.PensionSite.Org

1. Legal Name of Firm _____
Address _____
City _____ State _____ Zip _____
Phone: Area Code _____ Number _____

2. Business Form: ___ Corporation ___ Partnership ___ Sole Proprietorship
File as Sub Chapter "S" Corporation? ___ Yes ___ No

3. Date of Incorporation _____ Fiscal Year Ends _____

4. Employee Breakdown (Number)
Salaried Employees _____
Hourly Employees _____ ___ Union ___ Non-Union
Total Employees _____

5. Corporate profit before Federal Income Tax for past two years:
20__ \$ _____ 20__ \$ _____

6. Is Corporation contributing for employees to any deferred compensation plan now in operation? ___ Yes ___ No

a. If yes, please complete the following:

	Amount of Last Annual Deposit	Voluntary Contributions	Total Trust Asset Value As of _____
Pension	\$ _____	\$ _____	\$ _____
Profit Sharing	\$ _____	\$ _____	\$ _____

7. Are you contributing to Union Pension? ___ Yes ___ No

8. Does this Firm itself, or any Stockholder, own at least 50% of any other Corporation, Partnership, or Proprietorship? ___ Yes ___ No

9. Special Instructions _____

Sample Notification of Severance of Service

<DATE>

<Mr./Ms. Example>

<Third Party Administration Firm>

<12345 Place Street>

<Anywhere, USA 09876-5432>

Re: <Company, Inc. Defined Benefit Plan Administration>

Dear <Mr./Ms.>:

This letter shall serve as notice to terminate recordkeeping and administration services for the <Company, Inc. Defined Benefit Plan>. This termination shall be effective <date>.

We will be transferring the administration of our plan to PensionSite.Org, our new provider. Under separate cover you will be asked for information needed for a final valuation, corresponding reports and reconciliation of plan assets.

Please note, we expect that all year end governmental filings and testing for the past plan year, ending <PYE>, will be taken care of by your firm.

Please confirm receipt of this letter and advise us of any further actions required on our part to facilitate the transition of the plan.

If you require additional information, please do not hesitate to call PensionSite.Org at 888.412.4120.

Sincerely,

<Trustee Name>

Trustee for the <Company, Inc. Defined Benefit Plan>

Cc: Pension Services

Investment Advisor

FINAL DESIGN & INSTALLATION ENGAGEMENT LETTER

Dear Client:

We are pleased to learn of your interest in engaging PensionSite.Org to design and install a qualified, defined benefit plan meeting the requirements of Internal Revenue Code (the “Code”) Section 412 and other relevant sections of the Code. Prior to the plan installation we need to finalize the plan design. Therefore, we have attached the following documents:

1. **Approved Preliminary Illustration.** This illustration should be reviewed for accuracy.
2. **Data Verification Questionnaire.** This form should be completed in its entirety. A separate form needs to be completed for the primary employer and each related employer.
3. **Employee Census Information.** This form may not be required if there are no related employers and the Approved Preliminary Illustration is accurate. (See affirmations at end of letter.) If necessary, this form should be completed in its entirety. A separate form needs to be completed for the primary employer and each related employer.

FEES AND COMPENSATION

Our fee for the creation of the plan’s final design and plan and trust documents, which also includes the preparation and filing of the Internal Revenue Service (“IRS”) application for a favorable determination letter, is \$2,500. This fee is not refundable after payment is received. Please return the completed forms mentioned above, along with a check for \$2,500, made payable to **Plan Documents, Inc.**, to my attention at: P.O. Box 1869, Winter Park, FL 32789-1869.

A Defined Benefit Plan is invested in life insurance and/or other investments. PensionSite.Org, or its assigns, will participate in a commission sharing arrangement on the sale of life insurance.

If the information obtained in the Data Verification Questionnaire or in your employee census file is materially different from the data used to create the Approved Preliminary Illustration due to an error in estimates, then the illustration will need to be redone. In such case there will be no additional fee for the revised illustration. However, if the information obtained is materially different due to an omission of fact; incomplete or inaccurate facts, then there will be a charge for the revised illustration. For example, a failure to identify a Related Employer would result in an omission of a material fact resulting in an additional fee. The additional charges are based on the following rates:

<u>Department</u>	<u>Hourly</u>	
Support	\$100	File set-up and data verification
CAD	\$150 - \$250	Consulting, Actuarial, Design

PLAN BENEFITS, DEPOSITS AND DEDUCTIONS

The “final” design will be used to create the plan legal document, which defines the benefits to be provided based on the plan benefit formula. You should not rely on the results of the “final” design for purchasing the required annuity and life insurance contracts or actual tax deduction available to the plan sponsor. These amounts cannot be determined until after the plan is installed and the actual census information is requested and obtained by us directly from you or your accountant (which is subject to a separate Annual Administrative Engagement Letter). However, this should not be construed to delay commencement of the insurance underwriting process, which must be completed as soon as possible.

TIME FOR COMMENCEMENT AND COMPLETION

Upon receipt of your check for \$2,500 and your completion of the required information described above, we will immediately begin performing the services for which you have engaged us. We will contact you within three (3) business days if we have any questions or need any additional information. We will complete the final design part of the engagement within five (5) business days from the date we receive all requested information. Any requested revisions will be completed within three (3) days of such request. We will create the plan document within five (5) business days of approval of the final plan design. The plan will be submitted for a determination letter after we obtain final census information to complete the annual administration work that is covered under our Annual Administration Engagement Letter, which will be sent to you after the plan has been formally adopted.

If you are in agreement with the above, please sign this letter in the applicable space provided below. **Please return a signed copy of this letter to our office, along with the completed Data Verification Questionnaire(s), the completed census information files, and a check for our retainer.** If you have any questions, please feel free to call me at (888) 412-4120.

Sincerely,

William H. Black, Jr.

PLAN TAKEOVER QUESTIONNAIRE

PRIMARY EMPLOYER INFORMATION

Firm Legal Name: _____
DBA Name (if applicable): _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone: _____ Fax: _____
Email: _____ Web: _____
EIN: _____ Date business started: _____
Employer fiscal year end: _____
Type of Entity: _____

OWNERS, OFFICERS, DIRECTORS, RELATIVES

Please enter in the spaces below the name of each owner, officer, and director of the employer.
Please also enter the name of each relative of an owner, officer, or director who is employed by the employer or a Related Employer.

Name	Title/Director	Ownership Percent	Relative of
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

ACCOUNTANT INFORMATION

Third Party Accountant's Name: _____
Firm Name: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Phone: _____ Fax: _____
Email: _____ Web: _____

RELATED EMPLOYER DETERMINATION

We recommend that you consult with your tax attorney before answering the following question if you are unsure as to the existence of Related Employers.

Is the primary employer a member of a controlled group of businesses or an affiliated service group?
 Yes No

If "Yes", indicate the number of Related Employer(s) including the primary employer _____. You must complete the "Related Employer Information" Section of this Questionnaire (Addendum I) for each additional Related Employer.

EMPLOYEE INFORMATION

Are there any individuals rendering service to the primary employer, or to any Related Employer, who are leased employees? Yes No

If "Yes", identify: _____

Do you want to exclude leased employees from the plan? Yes No

Is the primary employer, or any Related Employer, a member of a PEO?
 Yes No

Were any of the leased employees former employees of the primary employer or any Related Employer?
 Yes No

If "Yes", identify: _____

Does the Leasing Company sponsor a qualified plan?

Yes No

If "Yes", identify plan: _____

We will require a detailed breakdown of contributions (both current and prior year) for leasing company employees providing full-time services for your business.

PROFESSIONAL EMPLOYER ORGANIZATION (PEO)

Is the primary employer, or any Related Employer, a member of a PEO?

Yes No

If "No", please go to "Union Employees".

If "Yes", identify each company that is a member of a PEO:

If "Yes", name of PEO: _____

If "Yes", does the PEO maintain a qualified retirement plan?

Yes No

If "No", please go to "Union Employees".

If "Yes", has the primary employer or a Related Employer adopted the PEO's qualified retirement plan?

Yes No

If "No", please go to "Union Employees".

If "Yes", has the PEO converted the plan to a multiple-employer retirement plan?

Yes No

If "No", has it been determined whether there is a common-law employer issue as described in Section 3.02 of Rev. Proc. 2002-21?

Yes No

If "Yes", you should request evidence of such conclusion.

If "No", you should consult with legal counsel.

NOTE IF YOU HAVE ADOPTED A PEO RETIREMENT PLAN: If you, any member of your immediate family, or an individual who owns more than 5% of your business (“Key Employees”) participate in this plan and in your adoption of the PEO retirement plan, this plan and your adoption of the PEO plan must be aggregated for various purposes, including top-heavy testing. As a result, you may be required to make a 5% of compensation top-heavy minimum contribution on behalf of eligible non-Key Employees who participate only in the PEO plan if this plan is a defined benefit plan and these employees are excluded by classification from participation in this plan. This requirement can be avoided in the future if no Key Employee is eligible to participate in the PEO’s retirement plan. However, the PEO’s plan may not allow for such exclusion, which may require you to terminate your employer participation in the PEO plan, if applicable.

UNION EMPLOYEES

Are there any employees or group of employees of the primary employer or any Related Employer that are subject to a good faith collective bargaining agreement, *i.e.*, union employees?

Yes No

If “No”, go to “Independent Contractors”.

If “Yes”, identify: _____

Do you want to exclude union employees from the plan?

Yes No

INDEPENDENT CONTRACTORS

You should consult with your CPA and/or tax attorney before answering the following questions if you are unsure whether a particular individual or group of individuals are employees or independent contractors, irrespective of how they being treated for payroll tax purposes. **An erroneous classification could adversely impact the plan.**

Are any individuals rendering service to the primary employer or to any Related Employer independent contractors?

Yes No

If “No”, go to “Owners, Officers, Directors, Relatives”.

If “Yes”, identify: _____

Were any of the independent contractors formerly employees?

Yes No

If "Yes", identify: _____

GENERAL PLAN INFORMATION

Plan Name: _____

IRS Plan Number (for example, 001 or 002): _____

Initial Plan Effective Date: _____ Plan Year End: _____

Predecessor Third Party Administrator (TPA): _____

TPA Phone #: _____

TPA Fax#: _____

TPA Contact Person: _____

Effective Date for Takeover/Conversion – for example, if you will be using your prior TPA through the valuation for the plan year ending December 31, 2005, the effective date for our takeover/ conversion of your plan is January 1, 2006: _____

Does the plan use the services of a Corporate Trustee?

Yes No

If "Yes", enter the name and address of the Corporate Trustee below.

If "No", enter the name(s) and address(es) of the Trustee(s) below if any changes have occurred since adoption of the latest plan legal document

PRIOR OR EXISTING PLAN INFORMATION

Does the primary employer or a Related Employer currently sponsor, or has the primary employer or a Related Employer ever sponsored, more than one qualified plan?

Yes No

If “No”, skip to the next item.

If “Yes”, identify below:

<u>Plan Name</u>	<u>EIN</u>	<u>IRS Plan #</u>	<u>Plan Status</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If the primary employer or a Related Employer currently sponsors or has ever sponsored any of the following employer-sponsored IRAs, please check the appropriate box:

- SEP (Simplified Employee Pension)
- SARSEP (Salary Reduction Arrangement SEP)
- SIMPLE-IRA (Savings Incentive Match Plan for Employees – IRA)

If the primary employer or a Related Employer sponsors one of the above IRAs, identify the sponsor (s) of the IRA as well as the IRA type (if more than one IRA type checked):

If the primary employer or a Related Employer sponsors one of these IRAs, we require copies of all documents effectuating and maintaining the IRA, pertinent notices, and latest contribution determination, including any future obligations with respect to matching contributions or employer contributions, if a SIMPLE-IRA.

REVIEW OF PLAN PROVISIONS

Would you like us to review the existing plan provisions for possible changes?

Yes No

If "Yes", please identify the specific plan provisions you would like us to evaluate below.

SIGNATURE

I confirm the above is complete and accurate.

Client Signature

Date

Print Name

Title

EMAIL AUTHORIZATON REQUEST

Pension Services, Inc. uses electronic mail (email) as its primary method of communicating with clients and their representatives. All correspondence, administration, data requests, amendments, etc., are sent via email.

This is done in an effort to reduce costs (such as employee labor, paper, envelopes, postage, etc.) to you, our client.

Your privacy is very important to us. We understand the information you provide or we collect is private. Therefore, we will only email information to those parties you authorize.

Please list below those parties you authorize to receive emails regarding your Plan. We have indicated a few parties you may want to include. Please include any others you feel appropriate.

_____	_____
Client Name (You)	Email Address
_____	_____
Advisor	Email Address
_____	_____
CPA/Accountant	Email Address
_____	_____
Attorney	Email Address
_____	_____
Other Interested Party	Email Address

By signing below, I authorize Pension Services, Inc. to send information about my Plan to the parties listed above. I will notify Pension Services, Inc. of any changes to this information.

_____	_____
Authorized Signature	Date