



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Prototype Salary Reduction SEP 001

FFN: 50476212700-001 Case: 200300001 EIN: 48-1224307

Letter Serial No: K411089c

FIRST TRUST CO OF ONAGA
301 LEONARD
P O BOX 420
ONAGA, KS 66521

Contact Person:

Ms. Arrington 50-00197

Telephone Number:

(202) 283-8811

In Reference To:

T:EP:RA:T

Date: 01/10/2003

Dear Applicant:

In our opinion, the amendment to the form of your Simplified Employee Pension (SEP) arrangement does not adversely affect its acceptability under section 408(k) of the Internal Revenue Code, with respect to an employer's SEP that by its terms in effect on December 31, 1996, provided that an employee may make the salary reduction election described in Code section 408(k)(6)(A). This SEP arrangement is approved for use only in conjunction with an Individual Retirement Arrangement (IRA) which meets the requirements of Code section 408 and has received a favorable opinion letter, or a model IRA (Forms 5305 and 5305-A).

An employer who adopts this approved prototype plan to amend a SEP that by its terms as in effect on December 31, 1996, provided that an employee may make the salary reduction election described in Code section 408(k)(6)(A) will be considered to have a retirement savings program that satisfies the requirements of Code section 408 provided that it is used in conjunction with an approved IRA. Please provide a copy of this letter to each adopting employer.

Code section 408(l) and related regulations require that employers who adopt this SEP arrangement furnish employees in writing certain information about this SEP arrangement and annual reports of savings program transactions.

Your program may have to be amended to include or revise provisions in order to comply with future changes in the law or regulations.

If you have any questions concerning IRS processing of this case, call us at the above telephone number. Please refer to the Letter Serial Number and File Folder Number shown in the heading of this letter. Please provide those adopting this plan with your phone number, and advise them to contact your office if they have any questions about the operation of this plan.

You should keep this letter as a permanent record. Please notify us if you terminate the form of this plan.

Sincerely yours,

Paul T. Shultz

Director,

Employee Plans Rulings & Agreements