

Notification of Excess Elective Deferrals

To _____
Name of Employee

Our calculations indicate that the Elective Deferrals you made to your SEP-IRA for calendar year _____ exceed the maximum permissible limits under Code Section 408(k)(6). You made excess Elective Deferrals of \$_____ for that year. The amount of your excess Elective Deferrals is taxable to you for the year it was deferred.

These excess Elective Deferrals plus allocable income must be distributed from your IRA by April 15 following the calendar year of the deferrals. Those excess Elective Deferrals not withdrawn by April 15 will be subject to the IRA contribution limitations of Code Sections 219 and 408 for the preceding calendar year and thus are considered a regular contribution to your IRA. Such a contribution may be an excess IRA contribution which could be subject to the six percent tax under Code Section 4973. If income allocable to the excess Elective Deferral is not withdrawn by April 15 following the calendar year you receive this notice, the income may be subject to the ten percent tax on early distributions under Code Section 72(t) when withdrawn.

Employer Signature

Date

Type Name of Employer

#428 (9/2002)

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Notification of Disallowed Deferrals

To _____
Name of Employee

This is to notify you that the 50 percent deferral participation requirement of a salary deferral arrangement has not been met for calendar year _____. All Elective Deferrals you made for that year are considered disallowed deferrals and must be removed from your IRA. You made disallowed deferrals of \$_____ for that year. The amount of your disallowed deferrals is taxable to you for the year it was deferred.

These disallowed deferrals plus allocable income must be distributed from your IRA by April 15 following the calendar year you receive this notice. Those disallowed deferrals not withdrawn by April 15 will be subject to the IRA contribution limitations of Code Sections 219 and 408 for the preceding calendar year and thus are considered a regular contribution to your IRA. Such a contribution may be an excess IRA contribution which could be subject to the six percent tax under Code Section 4973. If income allocable to the disallowed deferrals is not withdrawn by April 15 following the calendar year you receive this notice, the income may be subject to the ten percent tax on early distributions under Code Section 72(t) when withdrawn.

Employer Signature

Date

Type Name of Employer

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