

Employee Benefit Plan Limitations on Contributions and Benefits
(Worksheet Number 6 - Determination of Qualification)

<p>INSTRUCTIONS - All items must be completed unless the contrary is specifically provided. A "Yes" answer indicates a favorable conclusion is warranted while a "No" answer indicates a problem exists. Please use the space on the worksheet to explain any "No" answer. Numbers in brackets refer to EDS paragraph numbers. See Publication 7001, Explanation Number 6, for guidance in completing this form.</p> <p><i>Note: This worksheet has been updated for the 2006 Cumulative List (Cycle B Plans).</i></p>	The technical principles in this worksheet may be changed by future regulations or guidelines			
<p>I. General Definitions</p>	Name of Plan			
<p>a. If the plan defines the limitation year that will be used for purposes of IRC § 415, does the definition meet the requirements of the regulations? [0601]</p>	Plan Reference	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<p>b. Does the plan's definition of compensation satisfy the requirements of IRC § 415(c)(3) and the regulations? [0602]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>II. Limitations On Contributions—Defined Contribution Plans and Certain Defined Benefit Plans Note: If the plan is a defined benefit plan, complete this Part II only if the plan provides for employee contributions or employer contributions to an individual medical benefit account.</p>				
<p>a. If the plan includes a definition of annual additions, does the definition satisfy the requirements of the Code and regulations? [0603]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>b. Are annual additions on behalf of any participant during the limitation year limited to the lesser of (i) 100% of the participant's compensation or (ii) \$40,000 adjusted for cost-of-living increases pursuant to § 415(d)? [0604]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>c. If the plan provides a mechanism by which excess annual additions due to (i) a reasonable estimation of a participant's annual compensation, or (ii) a reasonable error in determining the amount of elective deferrals under § 402(g)(3), or (iii) an allocation of forfeitures are reduced, does the mechanism conform to one of the methods described in the 1981 regulations and does the plan limit the application of the mechanism to limitation years beginning before July 1, 2007? [0605]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>d. If the plan provides for contributions on behalf of participants who have become permanently and totally disabled, as defined in § 22(e)(3), does the plan provide for the continuation of contributions on behalf of all such disabled participants for a fixed or determinable period or only for non-highly compensated employees who become disabled, and are contributions nonforfeitable when made? [0606]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>e. If the employer maintains another qualified defined contribution plan (or a defined benefit plan to which employee contributions are made or under which employer contributions are made to an individual medical benefit account, or a welfare benefit fund under which employer contributions are made to an account of a key employee to provide post-retirement medical benefits), do the provisions of the plan or plans preclude the possibility that the limitations of this Part II will be exceeded when all such plans are treated as one plan? [0607]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

III. Limitations on Benefits—Defined Benefit Plans	Plan Reference	Yes	No	N/A
<p>a. Is the annual benefit to which any participant is entitled, during the limitation year, limited to the lesser of (i) 100% of the participant's average compensation for the high three years of service, or (ii) \$160,000 (or such larger amount as adjusted for cost-of-living increases pursuant to § 415(d))? [0608]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>b. Does the plan limit the compensation for a year that is used in determining the high three-year average compensation to the amount in effect for that year under § 401(a)(17)? [0609]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>c. If the plan provides for a retirement benefit which is payable in a form other than a straight life annuity, and the form of benefit is not subject to § 417(e)(3), is the benefit, for purposes of applying the limitation in III.a., adjusted to an actuarially equivalent straight life annuity that equals:</p> <p>(i) for limitation years beginning on or after July 1, 2007, the greater of the annual amount of the straight life annuity (if any) payable under the plan at the same annuity starting date, and the annual amount of a straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the participant's form of benefit computed using an interest rate of 5 percent and the applicable mortality table under § 417(e)(3) (i.e., Rev. Rul. 2001-62); and</p> <p>(ii) for limitation years beginning before July 1, 2007, the annual amount of a straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the participant's form of benefit computed using whichever of the following produces the greater annual amount: (1) the interest rate and mortality table or other tabular factor specified in the plan for adjusting benefits in the same form; and (2) a 5 percent interest rate assumption and the applicable mortality table? [0610]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>d. If the plan provides for a retirement benefit which is payable in a form other than a straight life annuity, and the form of the benefit is subject to § 417(e)(3), is the benefit, for purposes of applying the limitation in III.a., adjusted to an actuarially equivalent straight life annuity that equals:</p> <p>(i) (Note: This line d.(i) reflects the amendment of § 415(b)(2)(E)(ii) by § 303 of PPA '06) and is permitted, but may not be required, to be included in a Cycle B plan.) if the annuity starting date is in a plan year beginning after 2005, the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the participant's form of benefit, using whichever of the following produces the greatest annual amount: (1) the interest rate and the mortality table or other tabular factor specified in the plan for adjusting benefits in the same form; (2) a 5.5 percent interest rate assumption and the applicable mortality table; and (3) the applicable interest rate under § 417(e)(3) and the applicable mortality table, divided by 1.05;</p> <p>(ii) if the annuity starting date is in a plan year beginning in 2004 or 2005, the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the participant's form of benefit payable, using whichever of the following produces the greater annual amount: (1) the interest rate and mortality table or other tabular factor specified in the plan for adjusting benefits in the same form; and (2) 5.5 percent interest and the applicable mortality table; and</p> <p>(iii) if the annuity starting date is on or after the first day of the first plan year</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>beginning in 2004 and before December 31, 2004, and the plan applies the transition rule in § 101(d)(3) of PFEA '04 in lieu of the rule in (ii), the annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the participant's form of benefit, determined in accordance with Notice 2004-78? [0611]</p>				
<p>e. If a plan provides a retirement benefit beginning before age 62, is the benefit limited to:</p> <p>(i) if the annuity starting date is in a limitation year beginning before July 1, 2007, the annual amount of a benefit payable in the form of a straight life annuity commencing at the participant's annuity starting date that is the actuarial equivalent of the dollar limitation determined under line III.a., with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate and mortality table or other tabular factor specified in the plan for determining actuarial equivalence for early retirement purposes; or (2) a 5 percent interest rate assumption and the applicable mortality table;</p> <p>(ii) if the annuity starting date is in a limitation year beginning on or after July 1, 2007, and the plan does not have an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the annual amount of a benefit payable in the form of a straight life annuity commencing at the participant's annuity starting date that is the actuarial equivalent of the dollar limitation determined under line III.a., with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table and expressing the participant's age based on completed calendar months as of the annuity starting date; and</p> <p>(iii) if the annuity starting date is in a limitation year beginning on or after July 1, 2007, and the plan has an immediately commencing straight life annuity payable at both age 62 and the age of benefit commencement, the lesser of (1) the adjusted dollar limitation determined in accordance with (ii); and (2) the product of the dollar limitation under line III.a. multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the plan at the participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the plan at age 62, both determined without applying the limitations of § 415? [0612]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>f. If the retirement benefit under the plan may begin after age 65, does the plan provide for an increase in the maximum dollar limitation on benefits that is limited to:</p> <p>(i) if the annuity starting date is in a limitation year beginning before July 1, 2007, the annual amount of a benefit payable in the form of a straight life annuity commencing at the participant's annuity starting date that is the actuarial equivalent of the dollar limitation determined under line III.a., with actuarial equivalence computed using whichever of the following produces the smaller annual amount: (1) the interest rate and mortality table or other tabular factor specified in the plan for determining actuarial equivalence for delayed retirement purposes; or (2) a 5 percent interest rate assumption and the applicable mortality table;</p> <p>(ii) if the annuity starting date is in a limitation year beginning on or after July 1, 2007, and the plan does not have an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the annual amount of a benefit payable in the form of a straight life annuity commencing at the participant's annuity starting date that is the actuarial equivalent of the dollar limitation determined under line III.a., with actuarial equivalence computed using a 5 percent interest rate assumption and the applicable mortality table and expressing the participant's age based on completed calendar months as of the annuity starting date; and</p> <p>(iii) if the annuity starting date is in a limitation year beginning on or after July 1, 2007,</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CYCLE C

<p>and the plan has an immediately commencing straight life annuity payable at both age 65 and the age of benefit commencement, the lesser of (1) the adjusted dollar limitation determined in accordance with (ii); and (2) the product of the dollar limitation under line III.a. multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the plan at the participant's annuity starting date to the annual amount of the immediately commencing straight life annuity under the plan at age 65, both determined without applying the limitations of § 415? [0613]</p>				
<p>g. If the plan's normal retirement age is less than 65, does the plan coordinate the requirements for actuarial increase for delayed retirement and nonforfeitability of benefits with the limits of § 415, for example, by providing for the in-service distribution of a participant's benefit where post-NRA actuarial increases would cause the benefit to exceed those limits? [0614]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>h. If the plan provides a minimum retirement benefit that otherwise exceeds the limitations on benefits in III.a., is such benefit provided only to a participant whose retirement benefits under the plan and all other defined benefit plans of the employer do not, in the aggregate, exceed \$10,000 for the limitation year? [0615]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>i. If a participant has less than 10 years of service at the time the participant begins to receive retirement benefits under the plan, is the percentage of compensation limit in III.a.(i), as adjusted as described in III.e. or III.f., if applicable, and the minimum benefit limit in III.h., if applicable, reduced by multiplying those limits by a fraction, the numerator of which is the number of years of service with the employer as of, and including, the current limitation year, and the denominator of which is 10? [0616]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>j. If a participant has less than 10 years of participation at the time the participant begins to receive retirement benefits under the plan, is the dollar limit in III.a.(ii), as adjusted as described in III.e. or III.f., if applicable, reduced by multiplying the limit by a fraction, the numerator of which is the number of years of participation with the employer and the denominator of which is 10? [0617]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>k. If the employer (or a predecessor employer) maintains, or at one time maintained, another qualified defined benefit plan, do the provisions of the plan or plans preclude the possibility that the limitations of this Part III. will be exceeded when all such defined benefit plans are treated as one plan? [0618]</p>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>