

November 20, 2009

«AddressBlock»

RE: University of Missouri 403(b) Plan

«GreetingLine»

There are new IRS regulations that may require you to report to your employer any retirement plan contributions made through an outside business. This notice will help determine if you need to take action regarding the regulations.

If you meet all three of the following criteria, there are requirements your need to be aware of and be prepared to act on:

- You are eligible to participate in the University of Missouri 403(b) retirement plan
- You own controlling interest (over 50%) of an outside, for-profit business
- You make contributions to a qualified retirement plan or SEP-IRA through that outside business

**If you do not meet all three of the above criteria, this notice does not apply to you, and you may disregard it.**

If you meet all three of the above criteria, please read the enclosed information sheet explaining the requirement to report these contributions, fill out the supplied contribution worksheet, and return it to my attention at: Faculty & Staff Benefits, 1000 W. Nifong, Building 7, Suite 210, Columbia, MO 65211. Please return this form by December 31, 2009.

Your certified public accountant or tax advisor can help answer any questions as well as assist you with completing the required form. You may also call me directly at 573-882-6582.

Thank you for your assistance and cooperation regarding these new regulations.

Sincerely,

LaRae Kostal  
Coordinator  
Tax Deferred Investment Program  
University of Missouri  
Columbia, MO 65211

## Information Sheet

The IRS issued final regulations in April 2007 that require every employer who sponsors a 403(b) plan to collect detailed information about employee outside business interests and, more specifically, any contributions being made to retirement plans through these outside businesses. This information must be collected and used for IRS contribution limit testing by the University of Missouri Tax Deferred Investment department in order to monitor compliance with applicable limitations, which is required by the IRS of every 403(b) retirement plan.

<For example, a doctor works for a university hospital and participates in the university's 403(b) plan, and is also the sole owner of a private practice. If this doctor is making contributions to both the university's 403(b) retirement plan and to a retirement plan through his private practice, he would need to report the details of those outside business interests and contributions to the university. The university will then need to calculate contributions made through both plans to ensure compliance with annual IRS contribution limits.>

Attached is a form that details the specific information that you need to provide to the UM Faculty and Staff Benefits office on an annual basis regarding your contributions to qualified retirement plans or SEP-IRAs through any outside business for which you have a controlling interest. The tax consequences of noncompliance are potentially very severe for both you and your employer, and may include civil and criminal penalties.

The attached form requests information about the prior year's contributions to plans outside the University of Missouri. This information must be reported to UM Faculty and Staff Benefits, ATTN: LaRae Kostal, Coordinator, UM Tax Deferred Plans, no later than December 31, 2009.

**Remember: the requested information is for tax year 2008.**

In general, you will receive a communication similar to this requesting information about the prior year's contributions to outside plans in the fourth quarter of each calendar year. This will be an annual request.

This note is a brief summary of very complicated new regulations. Please contact your certified public accountant or attorney to ensure that you understand what is required of you.

# Outside Retirement Plan Contributions Worksheet

You have been asked to complete this worksheet because you meet all of the following criteria:

- You are eligible to participate in the University of Missouri Tax Deferred Annuity (403(b) Program
- You own controlling interest (over 50%) of an outside, for-profit business
- You make contributions to a qualified retirement plan or SEP-IRA through that outside business

## Employee Information

Name: \_\_\_\_\_

Employee ID: \_\_\_\_\_

Home Address: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

## Please answer the following about your outside business activities in 2008.

1. What is the limitation year of the qualified plan or SEP-IRA? \_\_\_\_\_ (mm/dd/yy)  
*A limitation year is the 12 month cycle for which contribution testing is performed.*
2. What was the total contribution (both employer and employee) to the qualified plan or SEP-IRA during the limitation year (excluding age 50 and over catch up contributions)?  
\_\_\_\_\_
3. What was your total Internal Revenue Code Section 415 total compensation during the limitation year? \_\_\_\_\_

## Signatures

If this form is being completed by someone other than the participant, please provide the following information in the event that follow-up is required.

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Signature of Person Completing This Form

Title/Phone Number

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Participant Signature

Date

Please complete and return this form to LaRae Kostal, UM Tax Deferred Investment Program, 1000 W. Nifong, Building 7, Suite 210, Columbia, MO 65211 no later than December 31, 2009.