contributions are excess contributions. See *Excess SEP Contributions—Deferral Percentage Limitation* on page 3 and the *Deferral Percentage Limitation Worksheet* on page 8.

Effective Date

Insert the date the provisions of this agreement are effective.

Eligible Employees

All eligible employees must be allowed to participate in the SEP. An eligible employee is any employee who: (1) is at least 21 years old, and (2) has performed "service" for you in at least 3 of the immediately preceding 5 years.

You can establish less restrictive eligibility requirements, but not more restrictive ones.

Service means any work performed for you for any period of time, however short. If you are a member of an affiliated service group, a controlled group of corporations, or trades or businesses under common control, service includes any work performed for any period of time for any other member of such group, trades, or businesses.

Excludable Employees

The following employees do not have to be covered by the SEP: (1) employees covered by a collective bargaining agreement whose retirement benefits were bargained for in good faith by you and their union, (2) nonresident alien employees who did not earn U.S. source income from you, and (3) employees who received less than $450 (this is the amount for 2006; for later years, it may be increased for cost-of-living adjustments) in compensation during the year.

Elective Deferrals

You may permit your employees to make elective deferrals through salary reduction that, at the employee's option, may be contributed to the SEP or received by the employee in cash during the year.

Notwithstanding any limit in Article IIIB(1) or IIIC, an eligible employee who is 50 or older before the end of the calendar year can defer an additional amount of compensation during the year up to the catch-up elective deferral contribution limit (see *Section 402(g) Limit* below).

You must inform your employees how they may make, change, or terminate elective deferrals. You must also provide a form on which they may make their deferral elections. You may use the *Model Salary Reduction SEP Deferral Form* (elective form) on page 5, or a form that explains the information contained in this form in a way that is written to be understood by the average plan participant.

SEP Requirements

- Elective deferrals may not be based on more than $220,000 of compensation (this is the amount for 2006; for later years, it may be increased for cost-of-living adjustments).

Compensation, for purposes other than the $450 rule (see *Excludable Employees* above), is defined as wages under section 3401(a) for income tax withholding at the source but without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in section 3401(a)(2)). Compensation also includes earned income under section 401(c)(2). Compensation does not include any employer SEP contributions, including elective deferrals. Compensation, for purposes of the $450 rule, is the same, except it includes deferrals made to this SEP and any amount not includible in gross income under section 125 or section 132(f)(4).

- The maximum an employee may elect to defer under this SEP for a year is the smaller of 25% of the employee's compensation or the limitation under section 402(g), as explained below.

Note: The deferral limit is 25% of compensation (minus any employer SEP contributions, including elective deferrals). Compute this amount using the following formula: Compensation (before subtracting employer SEP contributions) $\times$ 20%.

- If you make nonelective contributions to this SEP for a calendar year, or maintain any other SEP to which contributions are made for that calendar year, then contributions to all such SEPs may not exceed the smaller of $44,000 (this is the amount for 2006; for later years, it may be increased for cost-of-living adjustments) or 25% of compensation for any employee.
- Catch-up elective deferral contributions (see *Section 402(g) Limit* below) are not subject to the 25% limit.

Section 402(g) Limit

Section 402(g) limits the maximum amount of compensation an employee may elect to defer under a SEP (and certain other arrangements) during the calendar year. This limit is $15,000 for 2006 and later years. After 2006, the $15,000 amount may be increased for cost-of-living adjustments. In the case of an eligible employee who is 50 or older before the end of the calendar year, an additional amount of compensation ("catch-up elective deferral contributions") may be deferred during the year. The limit on catch-up elective deferral contributions is $5,000 for 2006 and later years. After 2006, the $5,000 amount may be increased for cost-of-living adjustments.

Excess Elective Deferrals

Amounts deferred for a year in excess of the section 402(g) limit are considered "excess elective deferrals" and are subject to the rules described below.

The limit applies to the total elective deferrals the employee makes for the calendar year, from all employers, under the following arrangements:

- Salary reduction SEPs under section 408(k)(6);
- Cash or deferred arrangements under section 401(k);
- Salary reduction arrangements under section 403(b); and
- SIMPLE IRA Plans under section 408(p).

Thus, an employee may have excess elective deferrals even if the amount deferred under this SEP alone does not exceed the section 402(g) limit.

If an employee who elects to defer compensation under this SEP and any other SEP or arrangement has made excess elective deferrals for a calendar year, the employee must withdraw those deferrals by April 15 following the calendar year to which the deferrals relate. Deferrals not withdrawn by April 15 will be subject to the IRA contribution limits of sections 219 and 408 and may be considered excess contributions to the employee's IRA. For the employee, these excess elective deferrals are subject to a 6% tax on excess contributions under section 4973. Income on excess elective deferrals is includible in the employee's income in the year it is withdrawn from the IRA. The income must be withdrawn by April 15, following the calendar year for which the deferrals were made. If the income is withdrawn after that date and the recipient is not 59½ years of age, it may be subject to the 10% tax on early distributions under section 72(t).

Excess SEP Contributions—Deferral Percentage Limitation

The amount each of your "highly compensated employees" may contribute to a salary reduction SEP is also limited by the "deferral percentage limitation." This is based on the amount of money deferred, on average, by your nonhighly compensated employees. Deferrals made by a highly compensated employee that exceed this deferral percentage limitation for a calendar year are considered "excess SEP contributions" and must be removed from the employee's SEP-IRA, as discussed below, unless the following exception applies. Excess SEP contributions of a highly compensated employee who is 50 or older before the end of the calendar year do not have to be removed from the employee's SEP-IRA to the extent the amount of the excess SEP contributions is less than the catch-up elective deferral contribution limit (see *Section 402(g) Limit* above) reduced by any catch-up elective deferral contributions already made for the year.

The deferral percentage limitation for your highly compensated employees is computed by first averaging the "deferral percentages" (defined below) for the eligible nonhighly compensated employees for the year and then multiplying this result by 1.25.

Only elective deferrals are included in this computation. Nonelective SEP contributions may not be included. The determination of the deferral percentage for any employee is made under section 408(k)(6).

For purposes of this computation, the calculation of the number and identity of highly compensated employees, and their deferral percentages, is made on the basis of the entire "affiliated employer" (defined below).

A worksheet is provided on page 8 to assist in figuring the deferral percentage. You may want to photocopy it for yearly use.

The following definitions apply for purposes of computing the deferral percentage limitation under this SEP:

1. Deferral percentage is the ratio (expressed as a percentage to 2 decimal places) of an employee's elective deferrals for a calendar year to the employee's compensation for that year. For this purpose, an employee's elective deferrals does not include any catch-up elective deferral

contributions that exceed the limit in Article IIIB(1) or IIIC or the section 402(g) limit applicable to employees under 50. No more than $220,000 (this is the amount for 2006; for later years, it may be increased for cost-of-living adjustments) of compensation per individual is taken into account. The deferral percentage of an employee who is eligible to make an elective deferral, but who does not make a deferral during the year, is zero. If a highly compensated employee also makes elective deferrals under another salary reduction SEP maintained by the employer, then the deferral percentage of that highly compensated employee includes elective deferrals made under the other SEP.

2. Affiliated employer includes (a) any corporation that is a member of a controlled group of corporations, described in section 414(b) that includes the employer, (b) any trade or business that is under common control, defined in section 414(c) with the employer, (c) any organization that is a member of an affiliated service group, defined in section 414(m) that includes the employer, and (d) any other entity required to be aggregated with the employer under regulations under section 414(o).

3. A highly compensated employee is an individual described in section 414(q) who:

a. Was a 5% owner defined in section 416(i)(1)(B)(i) during the current or preceding year; or

b. For the preceding year had compensation in excess of $95,000 (if the preceding year was 2005, $100,000 if the preceding year was 2006) and was in the top-paid group (the top 20% of employees, by compensation). For later years, the amount may be increased for cost-of-living adjustments.

Excess SEP Contributions—Notification

You must notify each affected employee, if any, by March 15 of the amount of any excess SEP contributions made to that employee's SEP-IRA for the preceding calendar year and what amount must be withdrawn. If needed, use the model form on page 5 of these instructions. Excess SEP contributions that must be withdrawn are includible in the employee's gross income in the preceding calendar year. However, if these excess SEP contributions (not including allocable income) total less than $100, then the excess contributions that must be withdrawn are includible in the employee's gross income in the calendar year of notification. Income allocable to these excess SEP contributions is includible in gross income in the year of withdrawal from the IRA.

If you do not notify any of your employees by March 15 of an excess SEP contribution that must be withdrawn, you must pay a 10% tax on such excess SEP contribution for the preceding calendar year. The tax is reported in Part VIII of Form 5330. If you do not notify your employees by December 31 of the calendar year following the calendar year in which the excess SEP contributions arose, the SEP no longer will be treated as meeting the rules of section 408(k)(6). In this case, any contribution to an employee's IRA will be subject to the IRA contribution limits of sections 219 and 408 and thus may be considered an excess contribution to the employee's IRA.

Your notification to each affected employee of the excess SEP contributions must specifically state in a manner written to be understood by the average employee:

- The amount of the excess SEP contributions attributable to that employee's elective deferrals;
- The amount of these excess SEP contributions that must be withdrawn;
- The calendar year in which the excess SEP contributions that must be withdrawn are includible in gross income; and
- Information stating that the employee must withdraw the excess SEP contributions that must be withdrawn (and allocable income) from the SEP-IRA by April 15 following the calendar year of notification by the employer. Excess contributions not withdrawn by April 15 following the year of notification will be subject to the IRA contribution limits of sections 219 and 408 for the preceding calendar year and may be considered excess contributions to the employee's IRA. For the employee, the excess contributions may be subject to the 6% tax on excess contributions under section 4973. If income allocable to an excess SEP contribution is not withdrawn by April 15 following the calendar year of notification by the employer, the employee may be subject to the 10% tax on early distributions under section 72(t) when withdrawn.

For information on reporting excess SEP contributions that must be withdrawn, see Notice 87-77, 1987-2 C.B. 385, Notice 88-33, 1988-1 C.B. 513, Notice 89-32, 1989-1 C.B. 671, and Rev. Proc. 91-44, 1991-2 C.B. 733.

To avoid the complications caused by excess SEP contributions, you may want to monitor elective deferrals on a continuing basis throughout the calendar year to insure that the deferrals comply with the limits as they are paid into each employee's SEP-IRA.

Disallowed Deferrals

If you determine at the end of any calendar year that more than half of your eligible employees have chosen not to make elective deferrals for that year, then all elective deferrals made by your employees for that year will be considered disallowed deferrals, for example, IRA contributions that are not SEP-IRA contributions.

You must notify each affected employee by March 15 that the employee's deferrals for the previous calendar year are no longer considered SEP-IRA contributions. Such disallowed deferrals are includible in the employee's gross income in that preceding calendar year. Income allocable to the disallowed deferrals is includible in the employee's gross income in the year of withdrawal from the IRA.

Your notification to each affected employee of the disallowed deferrals must clearly state:

- The amount of the disallowed deferrals;
- The calendar year in which the disallowed deferrals and earnings are includible in gross income; and
- That the employee must withdraw the disallowed deferrals (and allocable income) from the IRA by April 15 following the calendar year of notification by the employer. Those disallowed deferrals not withdrawn by April 15 following the year of notification will be subject to the IRA contribution limits of sections 219 and 408 and thus may be considered an excess contribution to the employee's IRA. For the employee, these disallowed deferrals may be subject to the 6% tax on excess contributions under section 4973. If income allocable to a disallowed deferral is not withdrawn by April 15 following the calendar year of notification by the employer, the employee may be subject to the 10% tax on early distributions under section 72(t) when withdrawn.

Disallowed deferrals should be reported the same way excess SEP contributions are reported.

Restrictions on Withdrawals

Your highly compensated employees may not withdraw or transfer from their SEP-IRAs any SEP contributions (or income on these contributions) attributable to elective deferrals made for a particular calendar year until March 15 of the following year. Before that date, however, you may notify your employees when the deferral percentage limitation test has been completed for a particular calendar year and that this withdrawal restriction no longer applies. In general, any transfer or distribution made before March 15 of the following year (or notification, if sooner) will be includible in the employee's gross income and the employee may also be subject to a 10% tax on early withdrawal. This restriction does not apply to an employee's excess elective deferrals.

Top-Heavy Requirements

Elective deferrals may not be used to satisfy the minimum contribution requirement under section 416. In any year in which a key employee makes an elective deferral, this SEP is deemed top-heavy for purposes of section 416, and you are required to make a minimum top-heavy contribution under either this SEP or another SEP for each nonkey employee eligible to participate in this SEP.

A key employee under section 416(i)(1) is any employee who, at any time during the preceding year was:

- An officer of the employer with compensation greater than $140,000 (this is the amount for 2006; for later years, it may be increased for cost-of-living adjustments);
- A 5% owner of the employer, as defined in section 416(i)(1)(B)(i); or
- A 1% owner of the employer with compensation greater than $150,000.

Instructions for the Employee

The following instructions explain what a simplified employee pension (SEP) is, how contributions to a SEP are made, and how to treat these contributions for tax purposes. For more information, see the SEP agreement on pages 1 and 2 and the *Instructions for the Employer* beginning on page 2.

What Is A SEP?

A SEP is a written arrangement (a plan) that allows an employer to make contributions toward your retirement without becoming involved in more complex retirement plans. A SEP may include a salary reduction arrangement, like the one provided on this form. Under this arrangement, you can elect to have your employer contribute part of your pay to your own traditional individual retirement account or annuity (traditional IRA), set up by you or on your behalf with a bank, insurance company, or other qualified financial institution. The part contributed is tax deferred. Only the remaining part of your pay is currently taxable. This type of SEP is available only to an employer with 25 or fewer eligible employees.

The traditional IRA must be one for which the IRS has issued a favorable opinion letter or a model traditional IRA published by the IRS as Form 5305, Traditional Individual Retirement Trust Account, or Form 5305-A, Traditional Individual Retirement Custodial Account. It cannot be a SIMPLE IRA (an IRA designed to accept contributions made under a SIMPLE IRA Plan described in section 408(p)) or a Roth IRA.

Your employer must provide you with a copy of the SEP agreement containing eligibility requirements and a description of the basis upon which contributions may be made.

All amounts contributed to your IRA belong to you, even after you quit working for your employer.

Forms and Publications You May Use

An employee may use either of the two forms and the publications listed below.

- Form 5329, Additional Taxes on Qualified Plans (including IRAs) and Other Tax-Favored Accounts. Use Form 5329 to pay tax on excess contributions and/or tax on early distributions.
- Form 8606, Nondeductible IRAs. Use Form 8606 to report nondeductible IRA contributions.
- Pub. 590, Individual Retirement Arrangements (IRAs).
- Pub. 560, Retirement Plans for Small Business (SEP, SIMPLE, and Qualified Plans).

Elective Deferrals

Annual Limitation

The maximum amount that you may defer to a SEP for a calendar year is limited to the smaller of 25% of compensation or the section 402(g) limit. The 25% limit is reduced if your employer makes nonelective contributions on your behalf to this or another SEP for the year. In that case, the total contributions on your behalf to all such SEPs may not exceed the smaller of $44,000 (this is the amount for 2006; for later years, it may be increased for cost-of-living adjustments) or 25% of compensation.

Section 402(g) Limit

Section 402(g) limits the maximum amount of compensation you can defer in each calendar year to all salary reduction SEPs, SIMPLE IRA plans under section 408(p), section 403(b) salary reduction arrangements, and cash or deferred arrangements under section 401(k), regardless of the number of employers you may have worked for during the year. This limit is $15,000 for 2006 and later years. After 2006, the $15,000 amount may be increased for cost-of-living adjustments. If you are 50 or older before the end of the calendar year, you can defer an additional amount of compensation (“catch-up elective deferral contributions”) during the year. The limit on catch-up elective deferral contributions is $5,000 for 2006 and later years. After 2006, the $5,000 amount may be increased for cost-of-living adjustments.

For a highly compensated employee, there may be a further limit on the amount you can defer. Figured by your employer and known as the deferral percentage limitation, it limits the percentage of pay that a highly compensated employee can elect to defer to a SEP-IRA. Your employer will notify any highly compensated employee who has exceeded the limitation.

Tax Treatment

Elective deferrals that do not exceed the limits discussed above are excluded from your gross income in the year of the deferral. They are not included as taxable wages on Form W-2, Wage and Tax Statement. However, elective deferrals are treated as wages for social security, Medicare, and unemployment (FUTA) tax purposes.

Excess Amounts

There are three situations which will result in excess amounts in a salary reduction SEP-IRA.

1. Making excess elective deferrals (for example, amounts in excess of the section 402(g) limit). You must determine whether you have exceeded the limit in the calendar year.
2. Highly compensated employees who make excess SEP contributions (for example, amounts in excess of the deferral percentage limitation referred to above). The employer must determine if an employee has made excess SEP contributions.
3. Having disallowed deferrals (for example, more than half of your employer’s eligible employees choose not to make elective deferrals for a year). All elective deferrals made by employees for that year are considered disallowed deferrals, as discussed below. Your employer must also determine if there are disallowed deferrals.

Excess Elective Deferrals

Excess elective deferrals are includible in your gross income in the calendar year of deferral. Income earned on the excess elective deferrals is includible in the year of withdrawal from the IRA. You should withdraw excess elective deferrals and any allocable income by April 15 following the year to which the deferrals relate. These amounts may not be transferred or rolled over tax-free to another IRA.

If you do not withdraw excess elective deferrals and any allocable income by April 15, the excess elective deferrals will be subject to the IRA contribution limits of sections 219 and 408 and will be considered excess contributions to your IRA. Such excess deferrals are subject to a 6% excise tax for each year they remain in the SEP-IRA. The excise tax is reported in Part III of Form 5329.

Income earned on excess elective deferrals is includible in your gross income in the year you withdraw it from your IRA. The income should be withdrawn by April 15 following the calendar year in which the deferrals were made. If the income is withdrawn after that date and you are not 59½ years of age, it may be subject to the 10% tax on early distributions. Report the tax in Part I of Form 5329. Also see Pub. 590 for a discussion of exceptions to the age 59½ rule.

Excess SEP Contributions

If you are a highly compensated employee, you may have excess SEP contributions for a calendar year that may have to be withdrawn from your SEP-IRA. If you have excess SEP contributions that do not have to be withdrawn (because you had unused catch-up elective deferral contributions), the following rules on including the contributions in income, withdrawing the contributions, and penalties if you don’t withdraw them do not apply to these excess SEP contributions. Your employer must notify you of any excess contributions, whether or not they must be withdrawn. This notification should show the amount of the excess SEP contributions, the amount that must be withdrawn, the calendar year to include any excess contributions in income, and the penalties that may be assessed if the contributions that must be withdrawn are not withdrawn from your IRA within the applicable time period.

Your employer must notify you of the excess SEP contributions by March 15 following the calendar year for which you made the excess SEP contributions. Generally, you include the excess SEP contributions in income for the calendar year in which you made the original deferrals. This may require you to file an amended individual income tax return. However, any excess SEP contribution less than $100 (not including allocable income) must be included in income in the calendar year of notification. Income earned on these excess contributions must be included in your gross income when you withdraw it from your IRA.

You must withdraw these excess SEP contributions (and allocable income) from your IRA. You may withdraw these amounts without penalty, until April 15 following the calendar year in which you were notified by your employer of the excess SEP contributions. Otherwise, the excess SEP contributions are subject to the IRA contribution limits of sections 219 and 408 and will be considered an excess contribution to your IRA. Thus, the excess SEP contributions are subject to a 6% excise tax reportable in Part III of Form 5329 for each year the contributions remain in your IRA.

If you do not withdraw the income earned on the excess SEP contributions by April 15 following the calendar year of notification by your employer, the income may be subject to a 10% tax on early distributions if you are not 59½ years of age when you withdraw it. Report the tax in Part I of Form 5329. Also see Pub. 590.

If you have both **excess elective deferrals** and **excess SEP contributions,** the amount of excess elective deferrals that you withdraw by April 15 will reduce any excess SEP contributions that must be withdrawn for the corresponding calendar year.

Disallowed Deferrals

You are not required to make elective deferrals to a SEP-IRA. However, if more than 50% of your employer's eligible employees choose not to make elective deferrals in a calendar year, then no employee may participate for that calendar year. If you make elective deferrals during a year in which this happens, then your deferrals for that year will be "disallowed," and the deferrals will be treated as ordinary IRA contributions (which may be excess IRA contributions) rather than SEP-IRA contributions.

Disallowed deferrals and any income the deferrals have earned may be withdrawn, without penalty until April 15 following the calendar year in which you are notified of the disallowed deferrals. Amounts left in the IRA after that date will be subject to the same penalties discussed in *Excess SEP Contributions* above.

Income Allocable To Excess Amounts

The rules for determining and allocating income to excess elective deferrals, excess SEP contributions, and disallowed deferrals are the same as those governing regular IRA contributions. The trustee or custodian of your SEP-IRA will inform you of the income allocable to these amounts.

Additional Top-Heavy Contributions

If you are not a key employee, your employer must make an additional contribution to your SEP-IRA for a year in which the SEP is considered "top heavy." (Your employer can tell you if you are a key employee. Also, see *Top-Heavy Requirements* on page 4 for the definition of a key employee.) This additional contribution will not exceed 3% of your compensation. It may be less if your employer has already made a contribution to your SEP-IRA, and for certain other reasons.

IRA Contribution for SEP Participants

In addition to any SEP amounts, you may make regular IRA contributions to an IRA. However, the amount of your contribution that you may deduct on your income tax return is subject to various income limits. See Form 8606. Also, you may want to see Pub. 590.

SEP-IRA Amounts—Rollover or Transfer To Another IRA

If you are a highly compensated employee, you may not withdraw or transfer from your SEP-IRA any SEP contributions (or income on these contributions) attributable to elective deferrals made during the year until March 15 of the following year or, if sooner, at the time your employer notifies you that the deferral percentage limitation test (discussed under *Annual Limitation* on page 6) has been completed for that year. In general, any transfer or distribution made before this time is includible in your gross income and may also be subject to a 10% tax on early distribution. Report this tax in Part I of Form 5329. You may, however, remove excess elective deferrals from your SEP-IRA before this time but you may not roll over or transfer these deferrals to another IRA.

If the restrictions above do not apply, you may withdraw funds from your SEP-IRA and no more than 60 days later place those funds in the same or another IRA, but not in a SIMPLE IRA. This is called a "rollover" and can be done without penalty only once in any 1-year period. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have these funds transferred between the trustees or the custodians so that you never have possession of the funds.

You may not, however, roll over or transfer excess elective deferrals, excess SEP contributions, or disallowed deferrals from your SEP-IRA to another IRA. These amounts may be reduced only by a distribution to you.

Employer To Provide Information on SEP-IRAs and Form 5305A-SEP

Your employer must give you a copy of the following information:

1. A copy of a completed Form 5305A-SEP, the *Model Salary Reduction SEP Deferral Form* (used to defer amounts to the SEP), and, if applicable, a copy of the Notice of Excess SEP Contributions. Your employer should also provide you with a statement of any contributions made during the calendar year to your SEP-IRA. Highly compensated employees must also be notified at the time the deferral percentage limitation test is completed.

2. A statement that traditional IRAs other than SEP-IRAs receiving contributions under this SEP may have different rates of return and different terms (for example, transfers and withdrawals from the IRAs).

3. A statement that the administrator of an amended SEP must furnish to each participant within 30 days of the amendment, a copy of the amendment and an explanation of its effects.

4. A statement that the administrator must notify each participant in writing of any employer contributions to the SEP-IRA. The notification must be made by the later of January 31 following the year of the contribution or 30 days after the contribution is made.

Financial Institution Requirements

The financial institution where your IRA is maintained must provide you with a disclosure statement that contains the following information in plain, nontechnical language:

1. The law that relates to your IRA.

2. The tax consequences of various options concerning your IRA.

3. Participation eligibility rules, and rules on the deductibility of retirement savings.

4. Situations and procedures for revoking your IRA, including the name, address, and telephone number of the person designated to receive notice of revocation. (This information must be clearly displayed at the beginning of the disclosure statement.)

5. A discussion of the penalties that may be assessed because of prohibited activities concerning the IRA.

6. Financial disclosure that provides the following information.

a. Projects value growth rates of the IRA under various contribution and retirement schedules, or describes the method of computing and allocating annual earnings and charges that may be assessed.

b. Describes whether, and for what period, the growth projections are guaranteed, or a statement of earnings rate and the terms on which these projections are based.

c. States the sales commission to be charged in each year expressed as a percentage of $1,000.

In addition, the financial institution must provide you with a financial statement each year. You may want to keep these statements to evaluate your IRA's investment performance and to report IRA distributions for tax purposes.

Paperwork Reduction Act Notice. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	4 hr., 29 min.
Learning about the law or the form	5 hr., 1 min.
Preparing the form	58 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send this form to this address. Instead, keep it for your records.