OMB # 1545-2187

From: solveruds@dwave.net
To: Shields Gerald J;
Subject: comments regarding 8955-SSA and instructions (due 1/3/2011)
Date: Wednesday, December 29, 2010 10:10:28 AM
Attachments: my_comments_8955-SSA.doc

12/29/2010

To: Gerald.J.Shields@irs.gov

From: Ross Solverud

Re: comments regarding 8955-SSA and instructions (due 1/3/2011)

Thank you for the opportunity to provide comments regarding form 8955-SSA and its instructions.

I am submitting comments as a private pension practitioner, not as a representative of any employer or trade group. I have worked in the private pension service industry for nearly 30 years, providing services to approximately 750 small to medium sized defined contribution plans (5 to 500 participants).

Here are my comments:

1. The requirement to separate mandatorily reported participants from voluntarily reported participants (in items 6 a & b) is unnecessarily burdensome to employers and service providers. It should make no difference why the participant is reported – only that the participant is reported.

2. The timing differences for mandatory reporting for single employer plans versus multiple employer plans is also unnecessarily burdensome. Many multiple employer plans are plans covering multiple (related) businesses which fall just short of the 414 aggregation rules for related businesses being treated as a single employer.

Car dealerships come to mind in this regard – many, many car dealerships think they are a 414-group single employer when in reality they have a multiple-employer plan.

From an employer's (and service provider's) point of view, these multiple employer plans should be able to report terminated participants in the same manner as a single employer plan reports terminated employees.

3. Page 1 of the instructions says 2009 information cannot be combined with 2010 plan year information; however, page 3 of the instructions says non-termination [sic] plans can include 2009 information on the 2010 form.

From both an employer's and service provider's point of view it is preferable that 2009 information be able to be included with the 2010 form (rather than filing a 2009 form).

4. The instructions reference an age-old regulation that requires the employer to give terminated participants the same information that will appear on the 8955-SSA form.

In my experience I have never (ever) seen such a statement provided to any participant in a defined contribution plan. The regulation should be clarified to allow employers who sponsor DC plans to simply provide their normal PPA-mandated participant statements rather than a separate statement that - at least in theory - must contain the actual 9855-SSA codes for "type of annuity" and "type of payment."

Thank you for considering these comments.

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