



Employee Incentive Plans, Inc.  
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November 9, 2009

Dear Sponsor:

In accordance with the Worker, Retiree, Employer Recovery Act (WRERA) and the recently released IRS Notice 2009-82, the required minimum distribution (RMD) rules have been waived for the 2009 plan year. As plan sponsor there are three choices to select from. The default choice for our plans is outlined in item number one.

1. **Default choice.** Suspend the distribution and provide notice to employees. With this option, the enclosed memo will be sent only to those participants who are in RMD status. If a participant would like to request a distribution for 2009, it will be processed as a standard distribution subject to withholding and would be eligible for rollover.
2. Continue to make RMDs and provide notice to employees that there has been a law change for 2009 RMDs. This option requires more processing and notification to participants.
3. Permit the participant to choose whether to take the distribution or not. If after 30 days no response is received, the plan must choose a default option to either distribute or suspend. This option requires more processing and notification to participants.

During the 2010 plan year we will be sending the regulatory amendment with the default choice unless you choose a different method. However, due to the timing of the RMDs you need to make your decision now so that we can notify the participants who are eligible for the RMD.

**There is no action required on your behalf if you agree with the default choice outlined in Item 1 above. We will mail out the participant notification by Friday November 12<sup>th</sup>.** These notices will be mailed to those participants that were in pay status in the prior year. If you have any new employees who attained age 70 1/2 during 2009 that we do not have updated information for, please provide them with the attached notice or send updated information to our office.

If you would like to choose one of the other options please notify us immediately so that we can discuss further and prepare the appropriate notification for your participants.

In summary, any participant who would have qualified for a 2009 RMD will not receive an RMD this plan year utilizing the default choice. The participant, however, may take a standard distribution upon request.

If a participant has already received a RMD we will forward a notice to them informing them that they do have the ability to roll the distributed amount back into the plan or to an IRA.

If you have any questions, please contact our office.

Sincerely,

**Employee Incentive Plans, Inc.**