

Prop. Reg. Section 1.408-7(b)

Individual Retirement Plans and Simplified Employee Pensions

PART 1 -- INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Par. 10. There are added after § 1.408-6 the following new sections:

(a) In general. The term "simplified employee pension" means an individual retirement account or individual retirement annuity described in section 408 (a), (b) or (c) with respect to which the requirements of paragraphs (b), (d), (e), (g), and (h) of this section are met and the requirements of § 1.408-8 are met with respect to any calendar year.



(b) Establishment of simplified employee pension. In order to establish a simplified employee pension, the employer must execute a written instrument (hereafter referred to as the simplified employee pension arrangement) within the time prescribed for making deductible contributions. This instrument shall include: the name of the employer, the requirements for employee participation, the signature of a responsible official, and the definite allocation formula specified in section 408 (k)(5) and paragraph (f) of this section.

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