

Document Restatement Update:

For some time now, we have been discussing with you the need to amend your company's retirement plan for the statutory and regulatory changes that have occurred since the early nineties. Not unlike previous plan restatement cycles, this process has taken several years to unfold, as the IRS is inundated with prototype submissions from the various national prototype document authors. We will be sponsoring our own prototype document for the first time. This document has been submitted to the IRS and as of November, 2001 we are still awaiting its approval. On or before February 28, 2002 you will need to affirm your intention to restate your plan onto this prototype. You will then have until the later of December 31, 2002 or one year from the date our prototype is approved to sign the new document, specifically prepared to reflect the operation of your plan since the beginning of the remedial amendment period and into the future. We will contact you with the steps necessary to complete the new document and to ensure compliance with the deadlines.

EGTRRA (The Economic Growth & Tax Relief Reconciliation Act of 2001): Increased contribution limits. Makeup contributions for older individuals. Increased portability of benefits. New tax credits. Reduced regulatory burdens. These are just some of the positive changes to be found in the new law. See note below for how you can obtain a comprehensive summary of the new regulations.

The federal **Truth-In-Lending** Act requires most lenders to make certain disclosures to recipients of consumer loans at the time such loans are originated. The Board of Governors of the Federal Reserve Board System has issued a set of rules, known as "Regulation Z," that implements the **truth-in-lending** requirements.

Whether a plan is covered by Regulation Z generally hinges on whether the number of new loans, together with any refinancing of old loans, totals more than 25 during either the current or preceding year.

Plans subject to Regulation Z must provide each borrower with a **truth-in-lending** disclosure statement at the time at which a loan is originated. In addition to information identifying the plan as the creditor for the loan, a **truth-in-lending** statement must conspicuously display the following information: Annual percentage rate, Finance charge, Amount financed, Total of payments, Payment schedule, Penalties and charges, and "Payment on demand" provisions.

Lenders are required to retain a copy of the **truth-in-lending** statement signed by the borrower for a period of at least two years after such disclosures are made. Failure to make required **truth-in-lending** disclosures to participants may result in civil penalties.



Announcing our website:
www.papensionplanners.com
Here you will find information about our company, current pension news, staff biographies, links for contacting us.
You will also find a convenient reference chart summarizing the changes brought about by the passage of The Economic Growth & Tax Relief Reconciliation Act of 2001 (EGTRRA). If you are not internet-enabled and would like us to mail you a copy of the chart, please call.

