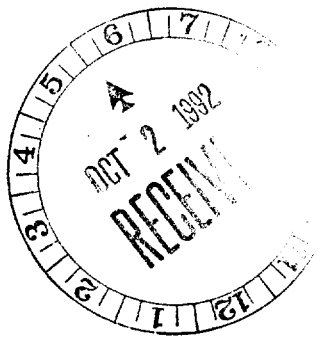
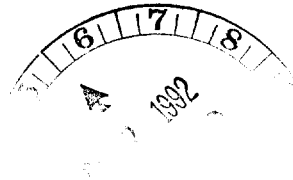


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# THE PARSONS BLEWETT MEMORIAL FUND

THE JESSIE PARSONS BLEWETT FUND  
A MEMORIAL  
TO HER AND HER PARENTS  
CHARLES BUNYAN PARSONS  
and  
JANE ELIZABETH PARSONS

THE  
BEN BLEWETT  
FUND

PATRICIA A. SORRELLS  
Administrative Officer

September 25, 1992

U.S. Department of Labor  
Pension and Welfare Benefits  
Administratin  
P.O. Box 75212  
Washington, D.C. 20013-5212

05184

Re: Top Hat Statement - Department of Labor  
Amnesty Program

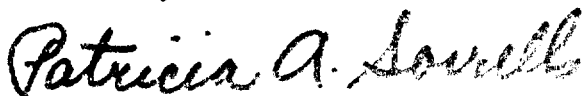
Ladies/Gentlemen:

Please be advised that Parsons Blewett Memorial Fund (the "Fund"),  
Fein **43-6003267**, 911 Locust Street, St. Louis, Missouri 63101, maintains  
two (2) **unfunded deferred compensation agreements** for two (2) **different  
individuals**, for the purpose of providing deferred compensation for a  
select group of management or highly compensated employees.

This letter is intended to satisfy the requirements under DOL Reg. S2520.  
104-23 for top hat plan reporting.

We understand that the Department of Labor has notified attorneys that the  
maximum top hat penalty is \$1,000.00 (see attached excerpt from the 9/17/92  
Bureau of National Affairs Daily Tax Report). Therefore, enclosed is the  
Fund's check in the amount of \$1,000.00 made payable to the Department of  
Labor to cover the late filing penalty.

Sincerely,



PATRICIA A. SORRELLS  
ADMINISTRATIVE OFFICER

enclosure

Gold, assistant projects branch chief, Employee Plans Technical and Actuarial Division, said Sept. 16.

The proposed rules will not include rules under Internal Revenue Code Section 414(r) regarding separate lines of business, Gold said at the second day of a Sept. 15-16 National Employee Benefits Institute conference. Work on modifications to those rules will be held off until employers have a better idea of whether they are going to have to use them under the modified non-discrimination rules, she said.

"We have found that employers provide more useful comments" when they are dealing with actual problems with their plans, Gold said.

IRS Aug. 7 delayed the effective date of the non-discrimination rules, which include regulations under Sections 401(a)(4) and related sections, citing the need to provide the public with additional time to comply and to provide IRS and the Treasury Department additional time to consider comments on further simplification and clarification of the rules (154 DTR G-3, 8/10/92).

#### *Rules Likely To Be Issued In October*

Although it is likely the rules will be issued next month, Gold said IRS needs to be careful not to move too quickly and do a poor job in writing the proposal. The rules probably will focus on only those problems that have been brought to IRS' attention through comments, she said.

Regarding requirements for distributions under Section 402 as revised by the Unemployment Compensation Amendments Act (PL 102-318), IRS expects to issue soon a regulations package that addresses issues dealing with the law's withholding requirements, notice requirements, and plan-to-plan transfer issues, Gold said.

According to Treasury Department Attorney-Advisor Catherine L. Creech, the department will try to incorporate some technical changes in its regulatory guidance on the new law (see related report in this Section).

Master and prototype plans that already have been approved will be given an opportunity to adopt model language to satisfy the requirements of the new law, which goes into effect Jan. 1, 1993, Gold said. However, if a plan does not want to adopt the model language provided by IRS, a simplified process will be developed for having language approved quickly, she said.

In the enforcement area, Gold said IRS will be issuing guidance to IRS field officers on new enforcement initiatives. Although the guidance is intended to help the officers in their auditing and enforcement work, IRS will request comments from the public on the guidance, she said.

Among the enforcement initiatives included in the guidance are plan funding deficiencies, improper plan terminations, prohibited transactions, and defined contribution plans with improper valuation of plan assets, Gold said. □

#### *Employee Benefits*

#### **LABOR DEPARTMENT LETTER CLARIFIES TOP HAT PENALTY MAY BE LIMITED TO \$1,000**

The maximum penalty for filing a delinquent top hat plan statement under the Labor Department's amnesty program may be limited to \$1,000, regardless of the number of plans covered by the statement, the department said in a letter provided to BNA.

The Sept. 8 letter was in response to a query from Loran T. Thompson, attorney in the Washington, D.C., office of Breed, Abbott & Morgan, New York. It was signed by Ronald Allen, chief of the division of report-compliance in the department's Office of Chief Accountant.

Allen said July 28 that the penalty would be \$1,000 per statement, regardless of the number of plans covered by the statement (149 DTR G-7, 8/3/92). At that time, Allen did not specify whether that penalty would apply to each statement that the employer should have filed originally or to the corrective statement.

A single statement could have covered more than one plan if the plans became effective at the same time. However, more than one statement generally would have been required if the plans had become effective at different times, Thompson explained. Thompson noted that the regulations require the statement be filed within 120 days after the plan becomes subject to Title I of the Employee Retirement Income Security Act.

The Labor Department letter clarifies that the statement reference is to the remedial statement now being filed and that, accordingly, only a single \$1,000 penalty applies, Thompson said. □

#### *U.S. Budget*

#### **SENATE STRIKES DOWN TWO ATTEMPTS TO SHIFT DEFENSE FUNDS TO DOMESTIC NEEDS**

The Senate Sept. 16 defeated two attempts to shift unobligated defense funds to increase funding for domestic purposes.

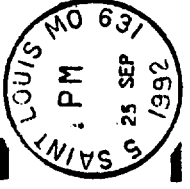
During consideration of the Labor, Health and Human Services, Education Appropriations bill (HR 5677), Sen. Tom Harkin (D-Iowa) sought to shift \$4.1 billion in defense spending to fund domestic needs.

Harkin would have used the additional money to increase funding for Head Start, Healthy Start, Job Corps, disease control, maternal and child health programs, child welfare services, biomedical research, and certain other health and education programs.

Immediately after the Senate failed to waive current budget rules that prevent such a transfer, Sen. Arlen Specter (R-Pa) offered an amendment that would have transferred \$2.9 billion from unobligated defense procurement funds to increase funding for the Pell grant program.

Under current budget rules both requests would represent violations of the prohibition against using defense funds for domestic purposes. The Budget Enforcement Act of 1990 established "firewalls" between

*The Parsons Blewett Memorial Fund*  
BOARD OF EDUCATION BUILDING  
911 Locust Street St. Louis, Missouri 63101



U.S. Department of Labor  
Pension and Welfare Benefits Administration  
P.O. Box 75212  
Washington, D.C. 20013-5212

