

Annex

IRS DETERMINATION: COPY OF LETTER RECOGNIZING QUALIFIED
NATURE OF UNJSPP UNDER IRC SECTION 401(a)

Address any reply to: P.O. Box 3200, New York, N.Y. 10008

Department of the Treasury

**District Director
Internal Revenue Service**

Date:

In reply refer to:

April 28, 1977

REG-7103: G. Resnick
264-2140



United Nations
799 United Nations Plaza
New York, N.Y. 10017

— Gentlemen:

Name of Plan: United Nations Joint Staff Pension Fund
Name of Trust:
Application Form: 5300
Date Adopted:
Dated: 3/25/77
Date Amended: 12/22/76

Based on the information supplied, we have made a favorable determination on your application identified above.

Continued qualification of the plan will depend on its effect in operation as well as its present form. See section 1.401-1(b)(3) of the Income Tax Regulations. The enclosed Publication 794 describes some events that could occur after you receive this determination letter that would automatically nullify it without specific notice from us. The publication also provides information about filing requirements, the effect of determination letters and plan operations, and the deductibility of contributions. The status of the plan in operation will be reviewed periodically.

If your application covered an amendment only, this letter is an opinion only as to whether the amendment submitted affects the existing status of the qualification of the plan and exemption of the trust. It is not a determination on the continued qualification of the entire plan.

This letter relates only to the status of your plan under the Internal Revenue Code. It is not a determination regarding the effect of other Federal or local statutes.

Please keep this letter in your permanent records.

Sincerely yours,

Charles H. Brennan
District Director

Form L-225 (Rev. 6-7)
/...

Favorable Determination Letter

Publication 794
(Rev. 1-76)

This publication describes some events that could nullify a favorable determination letter.

Operation of the plan in subsequent years

Rev. Proc. 72-4, 1972-1 C.B. 710, 712, and Rev. Rul. 69-24, 1969-1 C.B. 110, 111, provide, in part, that:

"... While a favorable determination letter may serve as a basis for determining deductions for employer contributions thereunder, it is not to be taken as an indication that contributions are necessarily deductible as made. Such determinations can be made only upon an examination of the employer's tax return, in accordance with the limitations and subject to the conditions of section 404 of the Code. . . ."

"... A determination letter issued with respect to the qualification of a plan under section 401(a) of the Code, is based on the information furnished by the employer. . . . The wording contained within the four corners of a written document may spell out a theoretically qualified plan which may or may not materialize in actual operation. For example, a plan may be open to all employees who have one year of service and who will be entitled to pensions commencing at normal retirement age 65 only if they remain with the employer until that age and have at least 10 years of service at retirement.

"Such provisions have been found acceptable in certain cases, and favorable determination letters have been issued. . . . A high rate of service separations, however, may leave relatively few of the lower paid employees but practically all of the officers, shareholders . . . and highly compensated employees in the plan, resulting in discrimination in favor of the latter group. Thus, in operation, such a plan does not meet the requirements of section 401(a) of the Code for some part or all of the period of its operation. . . ."

If coverage is based on the percentage requirement of section 410(b)(1)(A) of the Internal Revenue Code and this requirement is not met in some years following issuance of the favorable determination letter, the taxpayer may no longer rely on the letter.

Similarly, if coverage is based on the requirement of section 410(b)(1)(B) of the Code and the coverage of employees in the lower and middle compensation

ranges is reduced materially in any subsequent year from that in the application, a favorable determination letter will not apply.

A plan will be considered as meeting these coverage requirements during the whole taxable year if on any one day of each quarter it satisfies these requirements.

If employee turnover results in the allocation of forfeitures principally to the benefit of officers, shareholders, and highly compensated employees, a favorable determination letter will not apply.

These few examples are not the only developments in operation that could cause a plan to lose its qualified status.

Requirements for filing returns

Employers or plan administrators must file one or more of the following forms:

Form 5500, Annual Return/Report of Employee Benefit Plan (With 100 or more participants), and required attachments.

Form 5500-C, Annual Return/Report of Employee Benefit Plan (With fewer than 100 participants, none of whom is an owner-employee), and required attachments.

Form 5500-K, Annual Return/Report of Employee Pension Benefit Plan for Sole Proprietorships and Partnerships, and required attachments.

In addition, the following forms may also be required:

Form 990-T, Exempt Organization Business Income Tax Return, if unrelated business income was realized.

Form W-2P, Statement for Recipients of Annuities, Pensions, or Retired Pay

Form 1099R, Statement for Recipients of Lump-Sum Distributions from Profit-Sharing and Retirement Plans.

Form W-3, Transmittal of Income and Tax Statements.

The part of the insurance premiums paid for life insurance protection is considered income to the employee in the year in which the premium is paid and must be reported on Form 1099R if paid by the fiduciary, or on Form W-2 if paid by the employer.