

SAMPLE Notice of Plan Termination

[Note to firm: Copy the following text and paste it into a blank document. Replace text in red with the information indicated. Print out on your firm's letterhead.]

From the Plan Administrator to the plan participants

NAME OF PLAN

DATE

On _____, the **(Name of Firm)** (the "Firm") adopted **(or will adopt)** an Amendment to the **(Name of Plan)** (the "Plan"). The Amendment makes changes to the Plan that will have a significant impact on (1) eligibility to participate in the Plan and (2) the benefits provided under the Plan.

The Amendment is effective _____.

In accordance with the requirements of Section 4980F of the Internal Revenue Code, the provisions of the Amendment are described below.

(a) The Amendment Closes the Plan to New Participants

The Amendment closes the Plan to new Participants. No one can enter the Plan (or reenter the Plan after **(effective date)**). [Insert an example that accurately reflects the Plan's eligibility rules. For example, "Employees hired or rehired after **(effective date)**, cannot become Participants."]

(b) The Amendment Freezes the Plan Benefits as of (effective date)

Under the Plan's current benefit formula, **(insert description of the Plan's allocation formula. For example, "the Plan Account of each Participant who completes a Year of Service in a Plan Year (calendar year) is credited with a contribution equal to _____% of his Compensation for the Plan Year. Each Participant's Plan Account is adjusted for investment gains and losses on a daily basis.")**

No contributions will be credited to any Participant's Plan Account for any calendar year beginning after **(effective date)**. Plan Accounts will continue to be adjusted for investment results until they are distributed.

The Plan Accounts of Participants who are Employees on **(effective date)**, will be 100% vested and non-forfeitable as of **(effective date)**. **[Note: The Plan may also be required to vest former Participants, depending on Plan provisions.]**

(c) **The Amendment Terminates the Plan as of (effective date)**
Plan Accounts will be distributed **[as soon as administratively possible] or [after the IRS has issued a favorable determination letter with respect to the termination of the Plan].**

[If a Money Purchase Pension Plan] Before Plan Accounts are distributed, each Participant will be given a choice between (1) receiving his or her Plan Account in a lump sum distribution and (2) directing the Plan Administrator to use his or her Plan Account to purchase an annuity contract from an insurance company.

Please refer to your Summary Plan Description for more information about the current provisions of the Plan, including definitions of the terms used in this Notice.

Please contact _____ at _____ if you have any questions.

A copy of the Amendment is available upon request. There will be a small copying charge. A copy of the current Summary Plan Description for the Plan is also available upon request. There is no charge for the Summary Plan Description.