

**SUPPORTING STATEMENT  
(Form 5305-SEP)  
OMB 1545-0499**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Internal Revenue Code (IRC) section 408(k) allows employers to establish a Simplified Employee Pension (SEP) and IRC section 404(h) allows an income tax deduction for contributions to this plan.

**2. USE OF DATA**

Form 5305-SEP is used by an employer to establish a SEP under IRC 408(k). The form is used as an agreement between the employer and its employees to provide benefits to all the employees. The form is not to be filed with IRS but a copy is to be kept in the employer's records.

**3. USE OF IMPROVED INFORMATION TECHNOLOGY TO REDUCE BURDEN**

Form 5305-SEP is available electronically.

**4. EFFORTS TO IDENTIFY DUPLICATION**

We have attempted to eliminate duplication within the agency wherever possible.

**5. METHODS TO MINIMIZE BURDEN ON SMALL BUSINESSES OR OTHER SMALL ENTITIES**

There are no small entities affected by this collection.

**6. CONSEQUENCES OF LESS FREQUENT COLLECTION ON FEDERAL PROGRAMS OR POLICY ACTIVITIES**

5305-SEP is used as an agreement between the employer and its employees to provide benefits to all employees. The employer does not have to file 5305-SEP on its employees with the IRS, however, if the employer so chooses to file it must file on each employee. If the employer does not, it may result in adverse tax consequences.

**7. SPECIAL CIRCUMSTANCES REQUIRING DATA COLLECTION TO BE INCONSISTENT WITH GUIDELINES IN 5 CFR 1320.5(d)(2)**

There are no special circumstances requiring data collection to be inconsistent with guidelines un 5 CFR 1320.5(d)(2).

**8. CONSULTATION WITH INDIVIDUALS OUTSIDE OF THE AGENCY ON AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, CLARITY OF INSTRUCTIONS AND FORMS, AND DATA ELEMENTS**

Periodic meetings are held between IRS personnel and representatives of the American Bar Association, the National Society of Public Accountants, the American Institute of Certified Public Accountants, and other professional groups to discuss tax law and tax forms. During these meetings, there is an opportunity for those attending to make comments regarding Form 5305-SEP.

In response to the **Federal Register Notice**, (80 FR 4640), dated **January 28, 2015**, we received no comments during the comment period regarding Form 5305-SEP.

**9. EXPLANATION OF DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS**

No payment or gift has been provided to any respondents.

**10. ASSURANCE OF CONFIDENTIALITY OF RESPONSES**

Generally, tax returns and tax return information are confidential as required by 26 USC 6103.

**11. JUSTIFICATION OF SENSITIVE QUESTIONS**

No personally identifiable information is (PII) is collected.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

<u>Form</u>	<u>No.of</u>	<u>Time per Responses Total hours</u>	<u>Response</u>
Form 5305-SEP	100,000	4.95	495,000

The estimated labor costs will be \$84,546.00 (495,000 burden hours x \$17.08 mean hourly wage)

**13. ESTIMATED TOTAL ANNUAL COST BURDEN TO RESPONDENTS**

There is no start-up costs associated with this collection.

**14. ESTIMATED ANNUALIZED COST TO THE FEDERAL GOVERNMENT**

After consultation with various functions within the Service, we have determined that the cost of developing, printing, processing, distributing, and overhead for this form is \$10,231.

**15. REASONS FOR CHANGE IN BURDEN**

There are no changes being made Form 5305-SEP at this time.

We are making this submission for renewal purposes.

**16. PLANS FOR TABULATION, STATISTICAL ANALYSIS AND PUBLICATION**

There are no plans for tabulation, statistical analysis and publication.

**17. REASONS WHY DISPLAYING THE OMB EXPIRATION DATE IS INAPPROPRIATE**

See attachment.

**18. EXCEPTIONS TO THE CERTIFICATION STATEMENT**

There are no exceptions to the certification statement.

**Note:** The following paragraph applies to all of the collections of information in this submission:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.