

**Supporting Statement**  
**Internal Revenue Service**  
**(Form 5305A-SEP) Salary Reduction Simplified Employee Pension-Individual Retirement**  
**Accounts Contribution Agreement**  
**OMB # 1545-1012**

**1. CIRCUMSTANCES NECESSITATING COLLECTION OF INFORMATION**

Form 5305A-SEP was created to implement Internal Revenue Code section 408(k)(6) that established the salary reduction simplified employee pension (SEP) and Code section 404(h) that allows employers whose SEPs meets the requirements of section 408(k) to deduct contributions to this plan on their income tax returns.

**2. USE OF DATA**

The Form 5305A-SEP is a model salary reduction simplified employee pension (SEP) used by an employer to permit employees to make elective deferrals to a SEP described in section 408(k). This form is not filed with the IRS, but is to be retained in the employer's records as proof of establishing such a plan.

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

IRS has no plans to offer electronic enabling because this is record keeping requirement.

**4. EFFORTS TO IDENTIFY DUPLICATION**

The record retained through this collection is unique and is not already available for use or adaptation from another source.

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

Small businesses should not be disadvantaged as the form has been structured to request the least amount of information and still satisfy the requirements of the statute and the needs of the Service.

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

The Form 5305A-SEP is a model salary reduction simplified employee pension (SEP) used by an employer to permit employees to make elective deferrals to a SEP described in section 408(k). This form is not filed with the IRS, but is to be retained in the employer's records as proof of establishing such a plan.

**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 in 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 5305A-SEP.

In response to the Federal Register notice dated November 1, 2017 (82 FR 50731), we received no comments during the comment period regarding Form 5305A-SEP.

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

No payment or gift will be 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 personal identifiable information (PII) is collected. This model agreement is completed by an employer and is retained as a record.

**12. ESTIMATED BURDEN OF INFORMATION COLLECTION**

The burden estimate is as follows:

Authority	Description	# of Respondents	#Responses per Respondent	Annual Responses	Hours per Response	Total Burden
IRC § § 408(k), 408(k)(6) , 404(h)	Fo rm 5305A-SEP	100,000	1	100,000	9.72	972,000
Totals		100,000				972,000

Estimates of the annualized cost to respondents for the hour burdens shown are not available at this time.

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

To ensure more accuracy and consistency across its information collections, IRS is currently in the process of revising the methodology it uses to estimate burden and costs. Once this methodology is complete, IRS will update this information collection to reflect

a more precise estimate of burden and costs.

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

The primary cost to the government consists of the cost of printing Form 5305A-SEP. We estimate that the cost of printing the form is \$1,279.

**15. REASONS FOR CHANGE IN BURDEN**

There is no change in the paperwork burden previously approved by OMB. We are making this submission to renew the OMB approval.

**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**

IRS believes that displaying the OMB expiration date is inappropriate because it could cause confusion by leading taxpayers to believe that the form sunsets as of the expiration date. Taxpayers are not likely to be aware that the IRS intends to request renewal of the OMB approval and obtain a new expiration date before the old one expires.

**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.