

A NEW TAX LAW MEANS MORE CHANGES FOR RETIREMENT PLANS

The revised rules on contributions appear to be just one more onerous requirement. But they may work to your advantage.

By David J. Schiller, J.D.

The Revenue Act of 1987 was passed without much fanfare. But now's the time to take a close look at this little-noticed law. It can have a big impact on your tax planning.

One provision of the law affects every practice with a defined-benefit retirement plan. Other types of plans apparently won't be affected, but doctors with money-purchase or profit-sharing plans should consider following the new rules, too.

The law requires making contributions to defined-benefit plans in quarterly installments. You can no longer make your entire contribution at the end of the plan year (or two and a half months after the end of the year, which is when many phy-

sicians fund their plans). If your actuary doesn't provide your contribution figure until the end of the year, you'll have to estimate your quarterly payments. Alternatively, you can rely on your previous year's contribution. The law requires your quarterly contributions to total 90 percent of the current year's obligation or 100 percent of the previous year's contribution, whichever is less.

The new rules will be phased in over four years, and you should begin to plan now. Next year, the law requires you to put away at least $6\frac{1}{4}$ percent of the minimum annual contribution each quarter. That will rise to $12\frac{1}{2}$ percent per quarter in 1990 and $18\frac{3}{4}$ percent in 1991. In 1992, you'll need to contribute 25 percent each quarter. You'll be permitted to make any remainder of your contribution after the end of the year. But if you miss a quarterly payment or don't contribute enough, you'll be hit with a penalty.

Try to make one-third to two-thirds of your anticipated 1988 contribution before the end of this year. That way, you won't get stuck in a cash bind next year. If you wait until the beginning of 1989 to make your full 1988 contribution, you'll have to come up with the first 1989 quarterly payment at the same time.

At first glance, the new rules appear to be just one more oner-

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References: 1. Silvis SE, Griffin J, Hardin R, et al: Final report on the United States multicenter trial comparing ranitidine to cimetidine as maintenance therapy following healing of duodenal ulcer. *J Clin Gastroenterol* 1985;7(6):482-487. 2. Gough KR, Korman MG, Bardhan KD, et al: Ranitidine and cimetidine in prevention of duodenal ulcer relapse: A double-blind, randomised, multicentre, comparative trial. *Lancet* 1984;2:659-662.

ZANTAC® 150 Tablets
(ranitidine hydrochloride)
ZANTAC® 300 Tablets
(ranitidine hydrochloride)

BRIEF SUMMARY

The following is a brief summary only. Before prescribing, see complete prescribing information in ZANTAC® product labeling.

INDICATIONS AND USAGE: ZANTAC® is indicated in:

1. Short-term treatment of **active duodenal ulcer**. Most patients heal within four weeks.
2. **Maintenance therapy** for duodenal ulcer patients at reduced dosage after healing of acute ulcers.
3. The treatment of **pathological hypersecretory conditions** (eg, Zollinger-Ellison syndrome and systemic mastocytosis).
4. Short-term treatment of **active, benign gastric ulcer**. Most patients heal within six weeks and the usefulness of further treatment has not been demonstrated.
5. Treatment of **gastroesophageal reflux disease (GERD)**. Symptomatic relief commonly occurs within one to two weeks after starting therapy. Therapy for longer than six weeks has not been studied.

In active duodenal ulcer, active, benign gastric ulcer, hypersecretory states, and GERD, concomitant antacids should be given as needed for relief of pain.

CONTRAINDICATIONS: ZANTAC® is contraindicated for patients known to have hypersensitivity to the drug.

PRECAUTIONS: General: 1. Symptomatic response to ZANTAC® therapy does not preclude the presence of gastric malignancy.

2. Since ZANTAC is excreted primarily by the kidney, dosage should be adjusted in patients with impaired renal function (see DOSAGE AND ADMINISTRATION). Caution should be observed in patients with hepatic dysfunction since ZANTAC is metabolized in the liver.

Laboratory Tests: False-positive tests for urine protein with Multistix® may occur during ZANTAC therapy, and therefore testing with sulfosalicylic acid is recommended.

Drug Interactions: Although ZANTAC has been reported to bind weakly to cytochrome P-450 in vitro, recommended doses of the drug do not inhibit the action of the cytochrome P-450-linked oxygenase enzymes in the liver. However, there have been isolated reports of drug interactions that suggest that ZANTAC may affect the bioavailability of certain drugs by some mechanism as yet unidentified (eg, a pH-dependent effect on absorption or a change in volume of distribution).

Carcinogenesis, Mutagenesis, Impairment of Fertility: There was no indication of tumorigenic or carcinogenic effects in lifespan studies in mice and rats at doses up to 2,000 mg/kg/day.

Ranitidine was not mutagenic in standard bacterial tests (*Salmonella*, *Escherichia coli*) for mutagenicity at concentrations up to the maximum recommended for these assays.

In a dominant lethal assay, a single oral dose of 1,000 mg/kg to male rats was without effect on the outcome of two matings per week for the next nine weeks.

Pregnancy: Teratogenic Effects: Pregnancy Category B: Reproduction studies have been performed in rats and rabbits at doses up to 160 times the human dose and have revealed no evidence of impaired fertility or harm to the fetus due to ZANTAC. There are, however, no adequate and well-controlled studies in pregnant women. Because animal reproduction studies are not always predictive of human response, this drug should be used during pregnancy only if clearly needed.

Nursing Mothers: ZANTAC is secreted in human milk. Caution should be exercised when ZANTAC is administered to a nursing mother.

Pediatric Use: Safety and effectiveness in children have not been established.

Use in Elderly Patients: Ulcer healing rates in elderly patients (65 to 82 years of age) were no different from those in younger age groups. The incidence rates for adverse events and laboratory abnormalities were also not different from those seen in other age groups.

ADVERSE REACTIONS: The following have been reported as events in clinical trials or in the routine management of patients treated with ZANTAC®. The relationship to ZANTAC therapy has been unclear in many cases. Headache, sometimes severe, seems to be related to ZANTAC administration.

Central Nervous System: Rarely, malaise, dizziness, somnolence, insomnia, and vertigo. Rare cases of reversible mental confusion, agitation, depression, and hallucinations have been reported, predominantly in severely ill elderly patients. Rare cases of reversible blurred vision suggestive of a change in accommodation have been reported.

Cardiovascular: Rare reports of tachycardia, bradycardia, and premature ventricular beats.

Gastrointestinal: Constipation, diarrhea, nausea/vomiting, and abdominal discomfort/pain.

Hepatic: In normal volunteers, SGPT values were increased to at least twice the pretreatment levels in 6 of 12 subjects receiving 100 mg qid IV for seven days, and in 4 of 24 subjects receiving 50 mg qid IV for five days. With oral administration there have been occasional reports of reversible hepatitis, hepatocellular or hepatocanalicular or mixed, with or without jaundice.

Musculoskeletal: Rare reports of arthralgias.

Hematologic: Reversible blood count changes (leukopenia, granulocytopenia, thrombocytopenia) have occurred in a few patients. Rare cases of agranulocytosis or of pancytopenia, sometimes with marrow hypoplasia, have been reported.

Endocrine: Controlled studies in animals and man have shown no stimulation of any pituitary hormone by ZANTAC and no antiandrogenic activity, and cimetidine-induced gynecomastia and impotence in hypersecretory patients have resolved when ZANTAC has been substituted. However, occasional cases of gynecomastia, impotence, and loss of libido have been reported in male patients receiving ZANTAC, but the incidence did not differ from that in the general population.

Integumentary: Rash, including rare cases suggestive of mild erythema multiforme, and, rarely, alopecia.

Other: Rare cases of hypersensitivity reactions (eg, bronchospasm, fever, rash, eosinophilia) and small increases in serum creatinine.

OVERDOSAGE: Information concerning possible overdosage and its treatment appears in the full prescribing information.

DOSAGE AND ADMINISTRATION: Active Duodenal Ulcer: The current recommended adult oral dosage is 150 mg twice daily. An alternate dosage of 300 mg once daily at bedtime can be used for patients in whom dosing convenience is important. The advantages of one treatment regimen compared to the other in a particular patient population have yet to be demonstrated.

Maintenance Therapy: The current recommended adult oral dosage is 150 mg at bedtime.

Pathological Hypersecretory Conditions (such as Zollinger-Ellison syndrome): The current recommended adult oral dosage is 150 mg twice a day. In some patients it may be necessary to administer ZANTAC® 150-mg doses more frequently. Doses should be adjusted to individual patient needs, and should continue as long as clinically indicated. Doses up to 6 g/day have been employed in patients with severe disease.

Benign Gastric Ulcer: The current recommended adult oral dosage is 150 mg twice a day.

GERD: The current recommended adult oral dosage is 150 mg twice a day.

Dosage Adjustment for Patients with Impaired Renal Function: On the basis of experience with a group of subjects with severely impaired renal function treated with ZANTAC, the recommended dosage in patients with a creatinine clearance less than 50 ml/min is 150 mg every 24 hours. Should the patient's condition require, the frequency of dosing may be increased to every 12 hours or even further with caution. Hemodialysis reduces the level of circulating ranitidine. Ideally, the dosage schedule should be adjusted so that the timing of a scheduled dose coincides with the end of hemodialysis.

HOW SUPPLIED: ZANTAC® 300 Tablets (ranitidine hydrochloride equivalent to 300 mg of ranitidine) are yellow, capsule-shaped tablets embossed with "ZANTAC 300" on one side and "Glaxo" on the other. They are available in bottles of 30 tablets (NDC 0173-0393-40) and unit dose packs of 100 tablets (NDC 0173-0393-47).

ZANTAC® 150 Tablets (ranitidine hydrochloride equivalent to 150 mg of ranitidine) are white tablets embossed with "ZANTAC 150" on one side and "Glaxo" on the other. They are available in bottles of 60 tablets (NDC 0173-0344-42) and unit dose packs of 100 tablets (NDC 0173-0344-47).

Store between 15° and 30°C (59° and 86°F) in a dry place. Protect from light. Replace cap securely after each opening.

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Glaxo

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Pension rules

ous and arbitrary requirement. Actually, they may work to your advantage. For one reason, making quarterly payments can reduce future contributions to a defined-benefit plan. The earlier in the year you make a contribution, the greater your investment earnings. Those increased earnings will mean that you'll have to contribute less in the future to reach your plan's goal.

Another advantage of the new payment schedule: It can help you regulate your practice's cash flow. Managing your retirement-plan outlay is far easier if you contribute in quarterly installments rather than in one lump sum after year's end. You might even consider making monthly, bi-weekly, or weekly contributions. (The law requires that contributions be made *at least* quarterly.) You'll find that treating your plan contributions as you do mortgage payments or staff costs will make them much easier to manage.

So the new law simply mandates doing what financial advisers have been recommending for years: Make your contribution as early as you can. Even if your retirement plan isn't the defined-benefit type, consider following the new rules anyway. In a defined-contribution plan, the extra investment income can give you thousands more to retire on. ■