

MEMO# 22301

March 5, 2008

Draft ICI Comment Letters Concerning 403(b) Model Plan and Transition Issues Under 403(b) Guidance

URGENT/ACTION REQUESTED

[22301]

March 5, 2008

TO: PENSION COMMITTEE No. 9-08 PENSION OPERATIONS ADVISORY COMMITTEE No. 9-08
RE: DRAFT ICI COMMENT LETTERS CONCERNING 403(b) MODEL PLAN AND TRANSITION
ISSUES UNDER 403(b) GUIDANCE

Attached are two separate draft letters to Treasury and the Internal Revenue Service regarding 403(b) plans. The first document is a draft comment letter regarding the model 403(b) plan language for public schools published in Revenue Procedure 2007-71.[\[1\]](#) The IRS specifically requested comments on the model language by March 16, 2008. Our letter recommends several changes to the model plan, including creation of an adoption agreement, clarification of the requirements for identifying vendors in the written plan, and various other changes meant to reflect current practices in the 403(b) community. Please review the draft comment letter and provide any comments or suggestions to the undersigned by Wednesday, March 12, 2008.

The second attachment is a draft letter outlining several interpretive issues arising under the final 403(b) regulations and the guidance provided in Rev. Proc. 2007-71, particularly with respect to transition issues involving orphan contracts and contract exchanges. The letter requests further guidance and describes the Institute's position on the transitional issues in the event the IRS and Treasury are not able to provide additional guidance. Please carefully consider the interpretations set forth in the paper and provide any comments to me by Friday, March 14, 2008.

Elena Barone
Associate Counsel

Attachments

[Attachment no. 1 \(in .pdf format\)](#)

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[\[1\]](#) See Memorandum to Pension Members No. 70-07 [21982], dated November 29, 2007.

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