

MEMO# 32518

June 10, 2020

IRS Announces Issuance of Opinion Letters and Next Steps for Adopters of Pre-Approved DC Plans

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June 10, 2020 TO: ICI Members
Pension Committee

Pension Operations Advisory Committee SUBJECTS: Pension RE: IRS Announces Issuance of Opinion Letters and Next Steps for Adopters of Pre-Approved DC Plans

In Announcement 2020-7,[\[1\]](#) the IRS indicates that it will soon issue opinion letters for pre-approved defined contribution (DC) plans that were restated for changes in plan qualification requirements listed in the 2017 Cumulative List[\[2\]](#) and that were filed with the IRS during the submission period for the third six-year remedial amendment cycle.[\[3\]](#) The IRS expects to issue the letters on, or soon after, June 30, 2020.

The Announcement also provides that an employer adopting such a newly-approved DC plan must adopt the plan document by July 31, 2022, to fall within the third six-year remedial amendment cycle.

Finally, the Announcement provides that an adopting employer of a pre-approved DC plan may apply for an individual determination letter during the period beginning August 1, 2020, and ending July 31, 2022, if the employer is otherwise eligible to do so (for example, if the employer modifies the terms of the pre-approved plan).[\[4\]](#)

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endnotes

[\[1\]](#) Announcement 2020-7 is available at <https://www.irs.gov/pub/irs-drop/a-20-07.pdf>.

[\[2\]](#) The 2017 Cumulative List was provided in Notice 2017-37. See ICI Memorandum No. 30768, dated July 7, 2017, available at

https://www.ici.org/my_ici/memorandum/memo30768

[3] Under Rev. Proc. 2016-37, the third six-year remedial amendment cycle for pre-approved DC plans began on February 1, 2017, and ends on January 31, 2023. See ICI Memorandum No. 30015, dated July 6, 2016, *available at* https://www.ici.org/my_ici/memorandum/memo30015. The deadline for submitting on-cycle applications for opinion letters for pre-approved DC plans for the third six-year remedial amendment cycle was December 31, 2018, as extended by Rev. Proc. 2018-42. See ICI Memorandum No. 31364, dated August 30, 2018, *available at* https://www.ici.org/my_ici/memorandum/memo31364.

[4] Rev. Proc. 2020-4 provides information regarding determination letter applications for adopting employers of pre-approved plans (see sections 8 and 12B). Rev. Proc. 2020-4 is *available at* https://www.irs.gov/irb/2020-01_IRB#REV-PROC-2020-4.

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