

**MEMO# 23644**

July 21, 2009

## **ICI Draft Comment Letter On IRS Proposal To Allow Suspension Of Safe Harbor Nonelective Contributions**

[23644]

July 21, 2009

TO: PENSION COMMITTEE No. 15-09  
PENSION OPERATIONS ADVISORY COMMITTEE No. 16-09 RE: ICI DRAFT COMMENT LETTER  
ON IRS PROPOSAL TO ALLOW SUSPENSION OF SAFE HARBOR NONELECTIVE  
CONTRIBUTIONS

Attached is a draft letter on the IRS' proposed regulations allowing 401(k) and 403(b) plans using the design-based safe harbor for nonelective contributions to reduce or suspend the nonelective contributions during the year. [\[1\]](#)

The draft letter supports the proposal. It offers one suggestion: IRS consider issuing, as part of the final regulations, sample or model language that sponsors of prototype programs can use in amending their plan documents.

Please let the undersigned ([mhadley@ici.org](mailto:mhadley@ici.org) or 202-326-5810) know by August 7, 2009 if you have comments on the letter or have additional issues that the Institute should raise.

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Associate Counsel

[Attachment](#)

## endnotes

[1] See Institute [Memorandum](#) to Pension Committee No. 9-09, Pension Operations Advisory Committee No. 10-09 [23461], dated May 18, 2009.

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