

MEMO# 16487

September 3, 2003

INSTITUTE COMMENT LETTER ON SECOND IRS WHITE PAPER CONCERNING DETERMINATION LETTER PROCESS

[16487] September 3, 2003 TO: PENSION COMMITTEE No. 32-03 PENSION OPERATIONS ADVISORY COMMITTEE No. 55-03 RE: INSTITUTE COMMENT LETTER ON SECOND IRS WHITE PAPER CONCERNING DETERMINATION LETTER PROCESS The Institute has filed the attached comment letter with the Internal Revenue Service concerning the second IRS white paper describing potential changes to the qualified plan determination letter program.¹ The white paper requested comment on whether particular options would improve upon the status quo. The letter states that none of the options discussed in the white paper would improve upon the status quo with respect to prototype plans and could discourage financial institutions from sponsoring prototype plans. The letter also describes two alternatives that the Institute has discussed with its members. The first alternative would involve a uniform, rather than a staggered, five-year remedial amendment period cycle and adoption by employers within one year of approval. The second alternative would include in the process described in the first alternative an option that would permit, but not require, prototype sponsors to adopt IRS model plan amendments on behalf of their adopting employers annually. The prototype sponsors would then “roll up” these amendments into restated plans and apply for opinion letters every five years. The letter also requests the opportunity to meet with the Service to discuss the advantages and disadvantages of these alternatives as compared with the status quo. Kathy D. Ireland Senior Associate Counsel Attachment (in .pdf format) 1 See Institute Memorandum to Pension Committee No. 13-03 and Pension Operations Advisory Committee No. 26- 03 (16051), dated May 13, 2003.