

MEMO# 1572

December 6, 1989

IRS TO BEGIN ISSUING OPINION LETTERS CONCERNING PROTOTYPE DEFINED CONTRIBUTION PLANS

December 6, 1989 TO: PENSION MEMBERS NO. 53-89 RE: IRS TO BEGIN ISSUING OPINION
LETTERS CONCERNING PROTOTYPE DEFINED CONTRIBUTION PLANS

Attached is a copy of IRS Announcement 89-154, which states that the IRS will begin issuing opinion letters on January 4, 1990, regarding the acceptability of prototype defined contribution plans (other than target benefit plans) under the Tax Reform Act of 1986. Although the IRS will not issue opinion letters concerning target benefit and defined benefit plans until additional guidance has been published, the Service will issue opinion letters for prototype defined contribution plans that are paired with defined benefit plans. Under section 13 of Revenue Procedure 89-9, an employer may be able to adopt a paired defined benefit plan on an interim basis prior to its approval by the Service if the approved version is adopted by the later of the end of the twelfth month following approval or the end of the remedial amendment period under section 401(b) of the Code. If the paired defined contribution plan is approved before the paired defined benefit plan, the employer's deadline for adopting the approved defined contribution plan may be earlier than the deadline for adopting the approved defined benefit plan. We will keep you informed of further developments. Kathy D. Ireland Associate General Counsel Attachments

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