

MEMO# 14765

May 29, 2002

IRS ESTABLISHES DEADLINES FOR PLAN AMENDMENTS AND PROVIDES MODEL AMENDMENTS CONCERNING REQUIRED MINIMUM DISTRIBUTIONS

[14765] May 29, 2002 TO: PENSION MEMBERS No. 25-02 PENSION OPERATIONS ADVISORY COMMITTEE No. 35-02 RE: IRS ESTABLISHES DEADLINES FOR PLAN AMENDMENTS AND PROVIDES MODEL AMENDMENTS CONCERNING REQUIRED MINIMUM DISTRIBUTIONS The Internal Revenue Service has issued Revenue Procedure 2002-29, which establishes the deadlines applicable to qualified retirement plans for amendments necessary to comply with the final regulations under section 401(a)(9) of the Internal Revenue Code, relating to required minimum distributions.¹ In addition, the revenue procedure includes model amendments for defined contribution and defined benefit plans. A copy of Revenue Procedure 2002-29, as well as a copy of a recent correction to the joint and last survivor table in the final regulations, is attached. In general, qualified plans must be amended by the last day of the first plan year beginning on or after January 1, 2003, to the extent necessary to comply with the requirements of the final regulations. If a plan is timely amended to comply with the final regulations and, as a result of the amendment, there is a disqualifying provision under section 401(b) of the Code, the remedial amendment period with respect to the disqualifying provision will end at the end of the EGTRRA amendment period. An application for a determination letter regarding the effect of the amendment, therefore, need not be filed earlier than the last day of the EGTRRA remedial amendment period, which is generally the last day of the first plan year beginning on or after January 1, 2005. The revenue procedure further provides that the timely adoption of the appropriate model amendment will provide reliance, without the need to request a determination letter, that the plan has been amended to comply with the final regulations and will not result in a disqualifying provision. According to the revenue procedure, by December 31, 2003, every sponsor of a prototype plan must amend its plan, on behalf of all adopting employers, to the extent necessary to comply with the requirements of the final regulations and must furnish copies of the amendments to all employers who have adopted the plan. A favorable opinion letter may not be relied upon after December 31, 2003, unless the prototype sponsor satisfies this requirement. Until further notice, sponsors of prototype plans are not required to request opinion letters that consider whether their plans satisfy the requirements of the final 1 See Institute Memorandum to Pension Members No. 17-02 and Pension Operations Advisory Committee No. 25-02, dated April 18, 2002. 2 regulations; however, opinion letter applications filed on or after January 1, 2003, will be reviewed with respect to whether the form of the plan satisfies these requirements. The model plan amendments included in the Appendix to the revenue procedure may be adopted by

prototype sponsors and sponsors of individually designed plans, and are “snap- on” amendments designed to work with a plan’s existing minimum distribution provisions by superseding those that are inconsistent with the provisions of the model amendment and retaining those that are not inconsistent. Kathy D. Ireland Associate Counsel Note: Not all recipients receive the attachments. To obtain copies of the attachments, please visit our members website (<http://members.ici.org>) and search for memo 14765, or call the ICI Library at (202) 326-8304 and request the attachments for memo 14765. Attachment no. 1 (in .pdf format)

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.