

MEMO# 1210

June 13, 1989

IRS ANNOUNCEMENT CONCERNING UPCOMING MODIFICATIONS TO REVENUE PROCEDURE 89-9

June 13, 1989 TO: PENSION MEMBERS NO. 30-89 RE: IRS ANNOUNCEMENT CONCERNING
UPCOMING MODIFICATIONS TO REVENUE PROCEDURE 89-9

Attached is a copy of IRS Announcement 89-79, concerning upcoming modifications to Revenue Procedure 89-9, which describes the procedure for obtaining IRS opinion letters for master and prototype plans. (See Institute Memorandum to Pension Members No. 7-89, dated February 8, 1989.) According to the announcement, Revenue Procedure 89-9 will be amended to expand the circumstances under which master and prototype plans may provide for after-tax employee contributions. Revenue Procedure 89-9 originally permitted such contributions only if the plan included a qualified cash or deferred arrangement under section 401(k) or if the plan was a master plan that designated the sponsoring organization as plan administrator. This rule will be expanded to allow after-tax contributions if the basic plan document designates the prototype plan sponsor as plan administrator. The announcement also states that the IRS will accept applications from nonintegrated, nonstandardized master and prototype plans that base plan contributions or benefits on less than total compensation as defined in section 414(s) of the Code. We will keep you informed of further developments. Kathy D. Ireland Assistant General Counsel Attachment

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