

MEMO# 3328

December 9, 1991

IRS ISSUES FINAL MINIMUM PARTICIPATION AND QUALIFIED SEPARATE LINES OF BUSINESS REGULATIONS

December 9, 1991 TO: PENSION COMMITTEE NO. 38-91 RE: IRS ISSUES FINAL MINIMUM PARTICIPATION AND QUALIFIED SEPARATE LINES OF BUSINESS REGULATIONS

Attached are the final IRS regulations relating to the minimum participation requirements of section 401(a)(26) of the Code and the determination of whether an employer operates qualified separate lines of business under section 414(r) of the Code. The minimum participation regulations include the same retroactive correction mechanism permitted under sections 401(a)(4) and 410(b). This mechanism permits employers to make certain retroactive amendments in order to achieve compliance with section 401(a)(26) at any point up to the 15th day of the 10th month after the end of the plan year. The final qualified separate lines of business regulations liberalize certain of the tests set forth in the proposed regulations and add new administrative safe harbors. We will keep you informed of developments. Kathy D. Ireland
Associate Counsel - Pension Attachment

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.