

MEMO# 12721

October 6, 2000

IRS STAFF INDICATES "FORMS OF BENEFIT" GUIDANCE APPLIES TO QJSAS

[12721] October 6, 2000 TO: PENSION COMMITTEE No. 75-00 RE: IRS STAFF INDICATES "FORMS OF BENEFIT" GUIDANCE APPLIES TO QJSAS At the October 3, 2000 Pension Committee meeting, the issue was raised whether or not the Internal Revenue Service's recently issued final regulations under section 411(d)(6)1 would enable a plan sponsor to amend a defined contribution plan to eliminate a qualified joint and survivor annuity (QJSA) option that was not required to be offered under sections 417 and 411(a)(11). The final regulations do not explicitly address this issue. It was recently reported in Tax Analysts' "Daily Tax Highlights & Documents" (October 5, 2000) that Richard Wickersham, Manager of Technical Guidance and Quality, IRS Employee Plans Division, confirmed that plans that made a QJSA the normal form of benefit could eliminate that option. Wickersham reportedly offered this interpretation of the guidance at an October 3 meeting of the D.C. Bar Association Tax Section's Employee Benefits Committee, and made similar remarks at an ALI-ABA conference in Washington, DC on October 6. Russell G. Galer Senior Counsel 1 See Institute Memorandum to Pension Members No. 44-00 and Pension Operations Advisory Committee, dated September 5, 2000.

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