

MEMO# 3909

July 2, 1992

FURTHER PROPOSED REVISIONS TO NONDISCRIMINATION REGULATIONS

July 2, 1992 TO: PENSION COMMITTEE NO. 23-92 RE: FURTHER PROPOSED REVISIONS TO
NONDISCRIMINATION REGULATIONS

Attached are copies of IRS Notices 92-31 and 92-32, which propose changes to the final regulations under sections 401(a)(4), 401(l) and 414(s) in order to increase the number of plans that can rely upon the safe harbors under the regulations. Notice 92-31 proposes to modify the safe harbor requirements to: (1) eliminate uniformity rules for vesting and service crediting; (2) reduce restrictions on service credit with another employer or during a leave of absence; (3) reduce restrictions on permitted offsets; (4) expand imputed compensation rules in section 414(s) for leaves of absence and transfers; (5) allow compensation adjustments for transferred employees; and (6) relax fresh-start rules. Notice 92-32 proposes to add a safe harbor to the regulations under sections 401(a)(4) and 401(l) that would apply to a defined benefit design under which an employee's benefit is offset by a percentage of the employee's primary insurance amount under Social Security ("PIA"). We will keep you informed of further developments. Kathy D. Ireland Associate Counsel - Pension Attachments