

**MEMO# 3552**

March 2, 1992

# **INTERNAL REVENUE SERVICE ANNOUNCES EXTENSION OF EFFECTIVE DATE FOR NONDISCRIMINATION REQUIREMENTS FOR QUALIFIED PLANS**

March 2, 1992 TO: PENSION COMMITTEE NO. 11-92 RE: INTERNAL REVENUE SERVICE ANNOUNCES EXTENSION OF EFFECTIVE DATE FOR NONDISCRIMINATION REQUIREMENTS FOR QUALIFIED PLANS \_\_\_\_\_ The attached Internal Revenue Service Announcement (No. 92- 29) provides that the effective date for the nondiscrimination regulations under Internal Revenue Code sections 401(a)(4) (nondiscrimination requirements), 401(a)(17) (the \$200,000 compensation limitation), 401(l) (nondiscrimination requirements), 410(b) (the minimum coverage requirement), 414(r) (the separate line of business provisions) and 414(s) (nondiscrimination requirements) (See Institute Memoranda to Pension Committee Nos. 26-91, dated September 19, 1991, and 38- 91, dated December 9, 1992) has been postponed from January 1, 1992 to the first day of plan years beginning on or after January 1, 1993. For tax-exempt entities and governmental plans, the regulations will not be effective until first day of plan years beginning on or after January 1, 1995. The Announcement also provides that employers may continue to rely upon a reasonable, good faith interpretation of the antidiscrimination provisions for years prior to the effective date of the regulations. In addition, the date by which plans must be amended to comply with the provisions of the Tax Reform Act of 1986 and the relief provisions of Notice 91-38, including the extension of Alternative II D (Accruals Under Pre TRA '86 Provisions for 1989 Plan Year), has been extended through the last day of the 1993 plan year. (See Institute Memoranda to Pension Committee Nos. 36-91, dated November 29, 1991, and 37-91, dated December 5, 1992.) We will keep you informed of further developments. David J. Mangefrida Jr. Assistant Counsel - Tax Attachment