

MEMO# 1322

August 7, 1989

IRS NOTICE EXTENDING DEADLINE FOR TERMINATING PLANS

August 7, 1989 TO: PENSION MEMBERS NO. 39-89 RE: IRS NOTICE EXTENDING DEADLINE
FOR TERMINATING PLANS _____

Attached is a copy of IRS Notice 89-92, which provides additional guidance and clarification concerning issues raised in Notice 88-131. The earlier notice provided relief from the requirements of section 411(d)(6) for sponsors of qualified plans in order to provide time to review regulations and make decisions about benefit program redesign. (See Institute Memorandum to Pension Members No. 52-88, dated December 22, 1988.) Notice 88-131 included a model amendment which, if adopted on or before May 31, 1989 along with termination of the plan after the first day of the plan year beginning in 1989 and before June 1, 1989, generally would permit the plan to be deemed in compliance with those qualification requirements of the Code that first became effective as of the first day of the first plan year beginning on or after January 1, 1989. Under Notice 89-92, the May 31, 1989 deadline is extended to December 31, 1989. Plan sponsors that adopt this model amendment must provide a written notice to plan participants and other interested parties after the adoption of the amendment and not less than 15 days before the effective date of the amendment under section 204(h) of ERISA. Therefore, the last possible date for adopting this model amendment and for providing the notice under section 204(h) of ERISA is December 16, 1989, and the effective date of the plan termination must be no later than December 31, 1989. We will keep you informed of further developments. Kathy D. Ireland
Assistant General Counsel Attachment

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