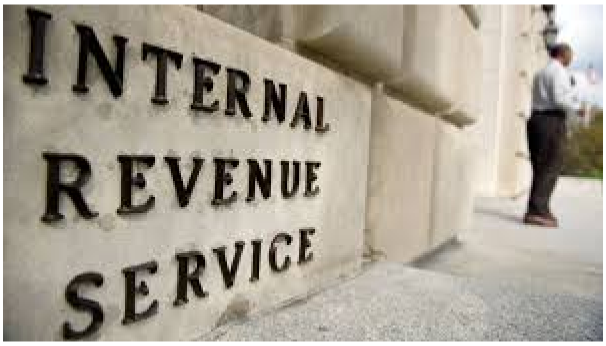
IRS Announces Revisions to Employee Plans Determination Letter Program

In Announcement 2015-19, the Internal Revenue Service (IRS) announced changes to the Employee Plans Determination Letter Program.



This announcement describes important changes to the Employee Plans determination letter program for qualified retirement plans. Based on the need of the Internal Revenue Service to more efficiently direct its limited resources, effective January 1, 2017, these changes will eliminate the staggered 5-year determination letter remedial amendment cycles for individually designed plans and will limit the scope of the determination letter program for individually designed plans to initial plan qualification and qualification upon plan termination. This announcement also provides a transition rule with respect to the remedial amendment period for certain plans currently on the 5-year cycle. The IRS is requesting comments on specific issues relating to the implementation of these changes to the determination letter program. The changes to the determination letter filing procedures described in this announcement will be reflected in an update to Rev. Proc. 2007-44, 2007-2 C.B. 54, and in a successor to Rev. Proc. 2015-6, 2015-1 I.R.B. 194.

In addition to announcing changes that will be made to the determination letter program, this announcement provides that, effective July 21, 2015, the IRS will no longer accept determination letter applications that are submitted off-cycle, except as otherwise described in the announcement.

In connection with the modifications to the determination letter program described in this announcement, the Department of the Treasury (Treasury) and the IRS are considering ways to make it easier for plan sponsors to comply with the qualified plan document requirements. This may include, in appropriate circumstances, providing model amendments, not requiring certain plan provisions or amendments to be adopted if and for so long as they are not relevant to a particular plan (for example, because of the type of plan, employer, or benefits offered), or expanding plan sponsors' options to document qualification requirements through incorporation by reference.

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