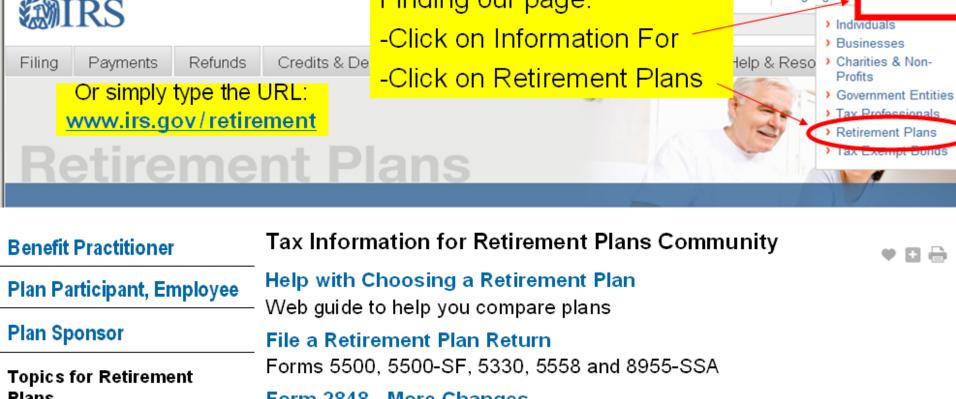
# **Employee Plans Technical Guidance**Phone Forum

Ingrid Grinde, Manager, EP Guidance Group 1 Sherri Edelman, Manager, EP Guidance Group 2

February 26, 2014



# **Plans**

\_ IRAs Types of Retirement Plans

 Required Minimum Distributions

Retirement Plan FAQs

 Published Guidance Forms & Publications

Correcting Plan Errors

 Newsletters More Topics

#### Form 2848 - More Changes

Use the March 2012 ∨ersion to designate a representative for retirement plan issues.

#### Retirement Plans Phone Forums

Check out upcoming phone forums

#### Fix-It Guides

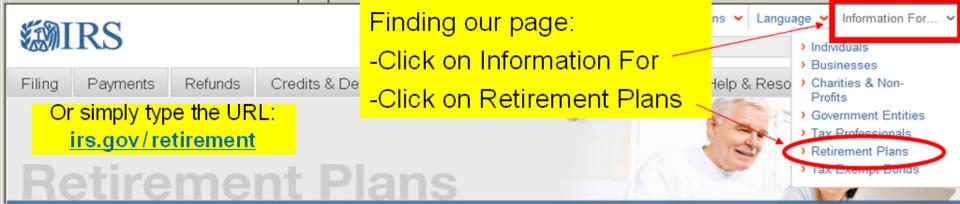
Find, Fix and avoid common mistakes in plans

#### Cost-of-Living Adjustments (COLAs)

Limits on contributions and benefits

#### Examinations and Enforcement

Audit guide, compliance check letters and other programs



#### Stay informed; choose your interest...

Topics for Retirement Plans

- IRAs
- Types of Retirement Plans
- Required Minimum Distributions
- Retirement Plan FAQs
- Published Guidance
- Forms & Publications
- Correcting Plan Errors
- Newsletters
- More Topics

#### Newsletters

#### Subscribe

For free IRS Newsletters

#### Employee Plans News

Geared toward retirement plan practitioners - attorneys, accountants, actuaries, and others - this newsletter presents information about retirement plans. View our current edition, browse the newsletter archive, or subscribe to future editions.

#### Retirement News for Employers

For employers, business owners and their tax advisors – the latest on retirement plan rules, forms, plain language publications from IRS and other federal agencies. View current or prior editions.

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Recent developments for governmental plans.

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## Retirement specific guidance...

Topics for Retirement Plans

- IRAs
- Types of Retirement Plans
- Required Minimum Distributions
- Retirement Plan FAQs
- Published Guidance
- Forms & Publications
- . Correcting Plan Errors
- Newsletters
- More Topics

#### Published Guidance



Guidance published by IRS related to retirement plans.

#### Published Guidance by Topic (2010-current)

Index of retirement plan guidance by subject matter

#### Archive of Published Guidance

Retirement plan guidance by type - October 2000 to date

#### Interest Rates Tables

Monthly weighted-average interest rates

#### Actuarial Tables

Section 7520 tables for valuing annuities, life estates, remainders and reversions

#### Priority Guidance Plan

Information relating to the Priority Guidance Plan, including links to both the current and prior versions, and news or notices about the Plan.

#### Advance Releases

Text of revenue rulings, revenue procedures, and other technical items in advance of their Internal Revenue Bulletin publication date









#### **Overview**

- Priority Guidance Plan
- EP Determinations Program
- Recently Issued Guidance
- Upcoming Guidance



# **Priority Guidance Plan**

- Each year, Treasury and IRS publish a Priority Guidance Plan, updated quarterly
  - Posted on <u>irs.gov/uac/Priority-Guidance-Plan</u>
  - Runs from 7/1 to 6/30
  - 41 projects for Employee Benefits (retirement benefits) on the 2013-2014 Plan
  - EP Guidance also works on items not on the Guidance Plan



- EP Guidance works on guidance items
   (formal and informal) related to the staggered
   remedial amendment cycles:
  - individually designed plans
  - pre-approved plans
- Items include:
  - Cumulative List
  - annual revenue procedures
  - extensions
  - expansions to the pre-approved program
  - newsletter articles



- Cycle C submission period Feb. 1, 2013 Jan. 31, 2014
  - Individually designed plans
  - Governmental plans that chose to file in Cycle C
  - Status of submissions
- Cycle D submission period -

Feb. 1, 2014 - Jan. 31, 2015



- Notice 2013-84 (2013 Cumulative List) is for Cycle D individually designed plans and multiemployer plans
- Cumulative List contains:
  - changes affecting plan qualification requirements
  - six new items two issued after the Oct. 1 regular cutoff date



- Form 5300 and 5310 updated Dec. 2013
  - Can continue to use prior version until June 30, 2014

Form 5307 is currently being revised



#### **User Fees**

- Rev. Proc. 2014-8 effective Feb. 2, 2014, modified employee plans user fees
  - in many cases increased fees
- Form 8717 and 8717-A (user fee forms for determination letter and pre-approved plan letter requests) have not been updated
  - Use most recent version of forms until updated, but submit correct user fee



# **EP Pre-approved Plan Program**

- Pre-approved defined contribution plans
  - Second submission period for lead plans under six-year staggered cycle system was
     Feb 1, 2011 - Apr 2, 2012 (extended from 1/31/2012)
  - IRS is:
    - nearing end of its review of lead plans
    - anticipating opening two-year window in early spring for adopting employers to adopt pre-approved plans



## **EP Pre-approved Plan Program**

- Pre-approved defined benefit plans
  - Second submission period for lead plans is Feb. 1, 2013 - Feb. 2, 2015
    - Recently issued Announcement 2014-4 extended deadline from Jan. 31, 2014 to Feb. 2, 2015
    - Reason to give IRS time to develop a cash balance program for defined benefit pre-approved plans



# **EP Pre-approved Plan Program**

- Extended deadline applies to all DB preapproved submissions
- Until we issue future guidance, don't submit plans with cash balance features
- Higher user fees apply as of Feb. 1, 2014
- Cycle C sponsors of individually designed plans intending to adopt a pre-approved plan
  - complete Form 8905 by March 31, 2014



# **Pre-approved Plan Programs**

#### Cash Balance

- Announcement 2014-4 announced our intention to establish a pre-approved program for cash balance plans
  - Developing parameters and LRMs
  - Will announce requirements and deadlines

#### ESOP

Developing parameters and LRMs



# 403(b) Pre-approved Plan Program

- Rev. Proc. 2013-22 & LRMs issued establishing the program
  - Commenters requested: extension, modification of eligibility criteria to allow more plans to participate, clarification of LRMs, and program for individually designed plans
  - No program for individually designed plans
  - Working on guidance that:
    - extends the application deadline, and
    - modifies eligibility to sponsor a pre-approved plan



## **Recently Issued Guidance**

- Temporary nondiscrimination relief for closed defined benefit pension plans (Notice 2014-5)
  - Gives limited temporary relief for closed defined benefit plans that are having difficulty meeting the nondiscrimination requirements under Code Sections 401(a)(4) and 410(b)
  - Comments due by Feb. 28, 2014



## **Recently Issued Guidance**

- Questions and answers on in-plan Roth rollovers (Notice 2013-74)
- Final regulations on mid-year suspension or modification of employer contributions to safe harbor plans



## **Recently Issued Guidance**

- Proposed regulations treating income from Indian fishing rights activity as compensation under section 415
- Proposed regulations requiring electronic filing of Form 5500 series and Form 8955-SSA for certain filers



- Interim amendments
  - We are working on guidance to reduce frequency of required interim amendments
  - Anticipate default rule would be no amendments to plans until end of cycle, unless required by:
    - IRS,
    - statute, or
    - Code Section 411(d)(6) issue



- Rev. Rul. modifying list of plans eligible to participate in group trusts
- Final regulations under IRC Section 401(a)(9) deferred annuities
- Final regulations on Form 8955-SSA
  - Proposed regulations were published
    June 21, 2012, with reliance pending final regulations



- Notice updating Notice 2002-23 giving administrative penalty relief for late Form 5500 filers
- Rev. Proc. establishing pilot penalty relief program for late annual returns filed by non Title I plans



- Lifetime Income Guidance (aka Target Date Fund Guidance)
  - Developing Notice about the payment of benefits from a defined contribution plan over the life of a participant



#### DOMA/Windsor

- Section 3 of DOMA struck down by the U.S.
  Supreme Court in *United States v. Windsor*
- Rev. Rul. 2013-17, effective Sept. 16, 2013, holds in part, that same-sex couples, legally married in jurisdictions that recognize their marriages, will be treated as married for federal tax purposes.
- Upcoming guidance will address the application of Windsor and the holdings of Rev. Rul. 2013-17 to periods before Sept. 16, 2013.



- Hybrid plan regulations
  - Finalize Oct. 19, 2010 proposed regulations
  - Proposed transition regulations
- 417(e) regulations
  - Finalize Feb. 3, 2012 proposed regulations
  - New proposed regulations
- Final 430 regulations



- Guidance on approval for changes in funding method
  - Successor to Rev. Proc. 2000-40 (automatic approvals)
  - Successor to Rev. Proc. 2000-41 (procedures for requesting approvals from the IRS)
- Guidance on PRA 2010 (successor to Notice 2011-3)



- Guidance under sections 402(c) and 402(A) on distributions disbursed to multiple destinations
- EPCRS update to Rev. Proc. 2013-12
- Rev. Rul. facilitating rollovers into retirement plans
- Miscellaneous