

Announcement 2014-4

This announcement extends to February 2, 2015, the deadline to submit on-cycle applications for opinion and advisory letters for pre-approved defined benefit plans for the plans' second six-year remedial amendment cycle. This extension applies to defined benefit mass submitter lead and specimen plans, word-for-word identical plans, master and prototype minor modifier placeholder applications, and non-mass submitter defined benefit plans. Under Rev. Proc. 2007-44, 2007-2 C.B. 54, and Rev. Proc. 2011-49, 2011-44 I.R.B. 608, the submission period for these applications is scheduled to expire on January 31, 2014.

Extension applies to all pre-approved defined benefit plan submissions

The extension is made in response to recent requests from the employee benefits community that the Internal Revenue Service ("IRS") develop a pre-approved plan program for defined benefit plans with cash balance features, as referenced in § 411(a)(13)(C) of the Internal Revenue Code, that would be available for the second six-year remedial amendment cycle. The IRS intends to expand the pre-approved program to permit plans with certain cash balance features to be submitted by sponsors and practitioners as part of their pre-approved defined benefit submissions, and the submission deadline is extended to allow time for the IRS to develop the necessary language and tools to implement this expansion. However, this extension applies to all on-cycle pre-approved defined benefit plan submissions, even those that will not be modified to contain cash balance features. In general, plans submitted in accordance with this extension will continue to be reviewed for qualification items based on the 2012 Cumulative List (Notice 2012-76, 2012-52 I.R.B. 775), which is the Cumulative List applicable to sponsors of defined benefit pre-approved plans submitting during the second six-year remedial amendment cycle. Future guidance will address permissible cash balance features under the pre-approved program.

When to submit plans with cash balance features

The IRS will announce in future guidance when applications for opinion and advisory letters for pre-approved defined benefit plans with cash balance features may be submitted. Until that time, such plans should not be submitted under the pre-approved program.

Applicable user fee

Rev. Proc. 2014-8, 2014-1 I.R.B. 242 (updated annually), contains the user fees that apply for applications submitted after January 31, 2014. The user fees under Rev. Proc. 2013-8, 2013-1 I.R.B. 237, will apply to pre-approved defined benefit plan applications submitted by January 31, 2014, which are not intended to contain cash balance features.

Deadline for Cycle C Individually Designed Plans to Complete Form 8905

In order to preserve (or, in the case of a new plan, obtain) reliance on the terms of their plans, sponsors of individually designed plans who intend to adopt a pre-approved defined benefit plan document in the future may, before the end of their applicable individually designed on-cycle deadline, complete Form 8905, *Certification of Intent to Adopt a Pre-approved Plan*, in lieu of submitting an application for an individually designed determination letter. The deadline for individually designed Cycle C filers to complete the Form 8905 or apply for a determination letter as an individually designed plan would normally be January 31, 2014. However, pursuant to this announcement, sponsors of individually designed Cycle C plans that do not intend to file a determination letter as an individually designed plan but intend to adopt a pre-approved defined benefit plan document will have until March 31, 2014 to complete Form 8905.

Request for comments

The IRS invites interested persons to comment on the expansion of the pre-approved defined benefit program to accommodate submissions of plans with cash balance features, including, for example, program parameters and proposals for sample plan language. Comments should be submitted to the attention of Donald J. Kieffer, at retirementplanquestions@irs.gov.

Effect on Other Documents

Rev. Proc. 2007-44 and Rev. Proc. 2011-49 are modified.

Drafting Information

The principal author of this announcement is Donald J. Kieffer of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this announcement, please call the Employee Plans taxpayer assistance answering service at (877) 829-5500 (a toll-free number) or email Mr. Kieffer at retirementplanquestions@irs.gov.