

Defined Benefit and Cash Balance Plans

The decline of defined benefit plans has been widely projected for some time now, but defined benefit plans remain of vital importance for those sponsors who maintain them and for the millions of workers covered by them. They also present unique plan design opportunities and challenging compliance issues. Defined benefit and cash balance plans have always been and remain a significant part of our practice for both the short and long term. They also dominate the attention of federal policymakers. In this regard, we have forged strong relationships with key staff at the Internal Revenue Service (IRS) National Office and the Pension Benefit Guaranty Corporation (PBGC) through our frequent interaction with them on both client advocacy and general policy matters. Our vast experience and capabilities in this area include:

- Obtaining IRS rulings and determination letters on a wide variety of issues, including funding waivers, cash balance plan rulings and determinations, benefit increases in bankruptcy or while funding waivers are in place, and other applications to IRS for funding relief.
- Design and compliance advice for cash balance and other hybrid benefit designs, including creative solutions to address difficult technical compliance positions taken by the IRS and issues presented by changes made by the Pension Protection Act of 2006.
- Advice and drafting of key participant communications regarding plan changes, including changes that may trigger the advance "204(h)" notice requirements for prospective benefit reductions.
- Working through complex suspension of benefit issues and administrative practices.
- Consultation on the investigation and response to participant complaints, claims and other disputes over plan benefits.
- Comprehensive plan document review and drafting services.
- Documenting and/or operational compliance reviews or "spot checks."
- Defense of class action or individual litigation challenges under the Age Discrimination in Employment Act and Employee Retirement Income Security Act (ERISA).