

Internal Revenue Service Determination Letters and Rulings

Sponsors of tax-qualified plans typically submit their plans for favorable Internal Revenue Service (IRS) determination letters during the plan's regular IRS filing cycle. A favorable determination letter reflects the IRS' opinion that the plan document satisfies the many complex requirements that apply to tax-qualified plans, and protects the plan in the event an IRS auditor challenges plan provisions. Some sponsors submit their plans for IRS rulings on particular issues that are not clearly addressed in the Internal Revenue Code or IRS guidance. We regularly file requests for plan determination letters and IRS rulings, including requests involving complicated issues, such as the application of the Qualified Separate Line Of Business rules, annuity compliance, and backloading issues. We assist the plan sponsor during the entire process, from preparing the submission and plan documents to negotiating with the IRS for a favorable letter or ruling. We keep plan sponsors informed of changes in the qualification requirements between determination letter filings to ensure their plans meet the requirements when they are again submitted to the IRS for review and avoid penalties.