

Publications

2010 Plan Amendments and EGTRRA Determination Letter Filing Deadline

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SERVICES

Plan sponsors of tax-qualified plans, such as a 401(k) profit-sharing plan, have the option of adopting either a pre-approved plan document (where the plan terms have been approved by the Internal Revenue Service (IRS) in advance) or adopting an individually designed plan document (where the plan sponsor has the freedom to design its own features). Regardless of the type of plan document adopted, most plan documents need to be updated annually for design and legal changes. A summary of the 2010 plan year changes is set forth in the attached article.

The type of plan does, however, impact how assurance can be obtained by a plan sponsor that a plan document complies with applicable Internal Revenue Code requirements. Plan sponsors and fiduciaries using a pre-approved plan document may generally rely on an IRS opinion or advisory letter obtained by the pre-approved plan sponsor, often a financial institution, third-party administrator or law firm. An IRS determination letter specific to the individual plan may also be requested by filing IRS Form 5307. For individually designed plans, a Form 5300 must be filed in order to receive a determination letter that states that the plan document terms satisfy applicable Internal Revenue Code requirements. The timeline for filing determination letter applications is detailed further in the attached article.