

**Publications**

# Final 403(b) Regulations Make 2008 a Key Planning Year

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The 403(b) plan landscape has long been an assortment of regulations and other IRS guidance dating back to the 1960s. In 2004, the IRS proposed a comprehensive set of regulations intended to consolidate the IRS's various 403(b) plan guidance. In 2007, these proposed regulations were modified and finalized with a general effective date of January 1, 2009, although there are certain provisions that impact 403(b) plan operation prior to the general effective date. Concurrent with these final regulations, the Department of Labor issued a Field Assistance Bulletin supplementing the ERISA regulation allowing certain nongovernmental 403(b) plans to be exempt from ERISA if the specified safe harbor requirements are satisfied. Subsequent IRS guidance provided further guidance on what plan terms must be included in a 403(b) plan to comply with the final regulations.

This article focuses on a number of significant changes and trends reflected in the final 403(b) regulations and related guidance that impact plan design and implementation decisions that should be made in 2008.