

Publications

Proposed Regulations on Allocation of Forfeitures

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The Internal Revenue Service (“IRS”) and Treasury issued proposed regulations to address the proper treatment of timing and use of allocation of forfeitures. The proposed regulations are effective with the 2024 plan year and provide invaluable transition relief for unallocated forfeitures.

In this *TAXES – The Tax Magazine* article, “Proposed Regulations on Allocation of Forfeitures,” Groom’s [Elizabeth Dold](#) and [David Levine](#) review the existing forfeiture rules and the new proposed rules (which, they note, are largely a clarification of the existing rules) for defined benefit and defined contribution plans. Plan sponsors of defined contribution plans should review the plan document terms and forfeiture procedures to ensure they are consistent with the proposed regulations, and that the use of forfeitures and the timing of forfeitures meet the 12-month deadline.

To read the article, [click here](#).