

Publications

The New Puerto Rico Internal Revenue Code – Plan Sponsors May Need to Take Action in 2011

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On January 31, 2011, the Governor of Puerto Rico signed into law a new Puerto Rico Internal Revenue Code. This 2011 PR Code replaces the 1994 PR Code, and among its tax changes are a substantial overhaul of the tax qualification requirements for pension plans covering Puerto Rico employees. Many of the provisions of the new law are effective January 1, 2011, though some are effective January 1, 2012. Consequently, for plans that are intended to be tax qualified under the PR tax code and covering Puerto Rico employees (including “dual-qualified plans”), sponsors will generally need to amend their plans for the new law and submit them to the PR Treasury Department (also known as the “Hacienda”) by the end of 2011.

Please see the attached memo for further details.

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