

# employee plans news

PROTECTING RETIREMENT BENEFITS THROUGH EDUCATING CUSTOMERS

Internal Revenue Service  
Tax Exempt and Government  
Entities Division

A Publication of Employee Plans

## HOW TO SUBSCRIBE TO FUTURE EDITIONS

see page 2

**page 2**  
Good News For Plan Sponsors

**page 4**  
Message from  
Commissioner Petschek

**page 5**  
Message from Director Gold

**page 6**  
New Employee Plans  
Compliance Resolution System  
Revenue Procedure

The Future of the EP  
Determination Letter Process

**page 7**  
Tips for Expediting the  
Determination Letter Process

**page 8**  
Pension Plans in Plain English  
Today's Topic: Types of Letters  
Issued for Plans

**page 9**  
Significant Employee Plans  
Published Guidance

**page 10**  
Partnership for Compliance  
for IRC 403(b) Annuities

**page 11**  
2001 Calendar of EP  
Benefits Conferences

**page 12**  
2001 Annual Employee  
Benefits Conferences

## New Simplified Rules for Required Minimum Distributions

The dawn of a new millennium has brought a significant simplification of rules for required minimum distributions from qualified plans, IRAs, section 403(b) annuities, and section 457 deferred compensation plans. Not only are the rules less complex, but they reduce the amount of distributions required to be taken each year for the majority of employees and IRA owners. Proposed Regulations under section 401(a)(9) were published in the Federal Register on January 17, 2001 (the [2001 Proposed Regulations](#)).

The 2001 Proposed Regulations provide a simple, uniform table that most employees can use to determine minimum distributions during their life. If an employee's sole beneficiary is the employee's spouse and the spouse is more than 10 years younger than the employee, the employee can use the longer distribution period of the joint life and last survivor life expectancy of the employee and spouse.

The 2001 Proposed Regulations also provide greater flexibility in choosing a beneficiary by permitting the beneficiary to be chosen as late as the end of the year following the year of the employee's death. This allows the beneficiary to be changed by disclaimer after the employee's death.

When the employee dies after the required beginning date with a designated beneficiary, the distribution period is the beneficiary's life expectancy for the year after death reduced by one for each subsequent year. When an employee dies after the required beginning date without a designated beneficiary, the distribution period is the employee's life expectancy for the year of death reduced by one for each subsequent year.

The Proposed Regulations change the default rule in the case of death before the employee's required beginning date from the five-year rule to the life expectancy of the designated beneficiary.

When finalized, the Proposed Regulations would require an IRA trustee to report the amount of the required minimum distribution from the IRA to the IRA owner or beneficiary and to the IRS. The effective date and procedures for this reporting requirement have not yet been determined.

*continued on page 2*



**HOW TO SUBSCRIBE  
TO FUTURE EDITIONS  
OF EMPLOYEE PLANS  
NEWS?**

Future editions of Employee Plans News will be issued only through IRS e-mail. For your free subscription, please go to [www.irs.gov/ep](http://www.irs.gov/ep) and register on-line. All editions of the Employee Plans News will be archived at [www.irs.gov/ep](http://www.irs.gov/ep).

► For your convenience, we have included Internet links to referenced materials throughout the electronic version of *Employee Plans News*. These links are identified on the paper version by underlined text. The electronic version may be found at [www.irs.gov/ep](http://www.irs.gov/ep).

**Rules** *continued from page 1*

The 2001 Proposed Regulations would be effective for distributions for calendar years beginning on or after January 1, 2002. But effective immediately, taxpayers may rely on the 2001 Proposed Regulations for determining minimum required distributions for calendar year 2001, or they may rely on the regulations under section 401(a)(9) that were proposed in 1987 (the 1987 Proposed Regulations) for determining minimum required distributions for calendar year 2001.

However, if an IRA owner attained age 70<sup>1/2</sup> in 2000 and is taking a minimum required distribution for 2000 by April 1, 2001, the owner may not use the new rules for figuring the distribution for 2000. IRA owners may rely on the 2001 Proposed Regulations for distributions for the 2001 calendar year but should not amend their IRA documents.

In order to use the 2001 Proposed Regulations in making distributions for 2001 and subsequent calendar years, qualified plan sponsors must adopt the Model Amendment contained in the preamble to the 2001 Proposed Regulations. ■

**Good News for Plan Sponsors**

*Do you have a 401(k), profit-sharing or pension plan for yourself and your employees?*

*Are you an executive or HR manager of a company that sponsors a tax-qualified retirement plan for your employees?*

*Are you an attorney, CPA or consultant with clients who look to you for advice about their plans?*

If you answered yes to any of these questions, the IRS may have some good news about retirement plan options that could make your life a little easier. More on that later.

But first a little background.

If you are responsible for keeping a plan tax-qualified, then you should know that the time is fast approaching when your plan has to be amended, and this article may be for you. The reason is a set of statutory changes called GUST. GUST is simply an acronym for a host of changes to the tax-qualified plan rules that Congress has made over the past 6 years. The IRS has stated that most plans must be amended for GUST by the end of the 2001 plan year—that means December 31, 2001. And, that's sooner than you think! But if you are using the right kind of document for your plan, you may have more time.

To reduce the burden of the statutory changes, the IRS, along with attorneys and others that work in the qualified plan area, have looked for ways to make it easier and cheaper to sponsor a plan. The IRS has come up with two programs that can help—the master and prototype program (M&P) and the volume submitter program. The following sections will explain these programs in simple terms to help you decide if either one is for you. But before we get to that, here's one interesting tidbit. During the last round of amendments for the *Tax Reform Act of 1986* (TRA '86), 66% of all plans submitted for a determination letter were M&P or volume submitter plans, up from 15% in the prior round. Obviously, more and more employers have decided that this is the way to go.

Now the details.

*continued on page 3*

### **M&P Plans**

What are M&P plans? Well, they've been around for nearly half a century. When they started out, banks and insurance companies and other institutions would ask the IRS to approve a master or prototype document for their clients to use in establishing retirement plans. Over the years, the pool of people who could get advance approval of these types of documents was expanded to include various institutions as well as attorneys and consultants who maintain a substantial employee benefits practice. (By the way, the difference between a master plan and a prototype plan is that a master plan has one trust for all employers. A prototype plan provides separate trusts for each employer.)

How do they work? M&P plans can generally be recognized by the fact that they always include an adoption agreement. That's the part of the plan where the employer selects the features the employer wants for the plan by checking boxes that describe different options. While the options available under these plans don't reflect all the different types of current plan designs, they are probably suitable for most employers.

Depending on the type of M&P plan, the employer may need to ask the IRS for a determination letter if the employer wants to be sure the plan's tax-qualified status is protected in the event of an audit. However, the determination letter application process is streamlined and the fee is nominal. If the employer adopts a standardized plan – that's an M&P plan that covers all the employer's employees – a determination letter probably won't be necessary.

The unique feature of M&P plans, and perhaps their most important feature, is that the institutions, attorneys and consultants who sponsor the plans are authorized to amend the plans on behalf of the employers who use them. This translates into permitting the burden for maintaining the qualified form of the plans to be shifted from the employers to the institutions, attorneys and consultants.

And, then, there's that issue of the GUST amendment deadline. If you have already adopted an M&P plan or certify your intention by the end of the 2001 plan year, you can be guaranteed that you will have 12 months in which to adopt the M&P sponsor's GUST plan after the IRS has approved it. That's even if the 12 months takes you past the end of your 2001 plan year.


### **Volume Submitter Plans**

Volume submitter plans are similar to M&P plans but with several key differences.

For one thing, these plans permit certain types of plan designs that are not available in M&P plans. If the M&P program prevents you from using a plan design you really want, check out the volume submitter program. Maybe your design will be allowed there.

Volume submitter plans may use an adoption agreement, but this is not required. More frequently, the plans are written to reflect the specific choices the employer wants to make. What makes the plan a volume submitter plan is that the attorney or consultant who drafted the plan (financial institutions generally do not sponsor these plans) is able to tell the IRS that the plan is substantially the same as a specimen document the IRS already reviewed and approved. This makes it possible to streamline the determination letter filing, which is always required for a volume submitter plan, and to charge a nominal fee.

*continued on page 4*



**If you are responsible  
for keeping a plan  
tax-qualified, then you  
should know that the  
time is fast approach-  
ing when your plan  
has to be amended,  
and this article may  
be for you.**

The following IRS employees are contributors of this edition of the *Employee Plans News*

.....

Evelyn A. Petschek  
Carol D. Gold  
Paul T. Shultz  
Rick Trevino  
Michael Fassino  
Kathleen Casper  
Jim Flannery  
Joyce Kahn  
Mike Rubin  
Steve Linder  
Jackie Jordan  
Monika Butcher  
Gary Mitchell  
Robert Bell  
Robert Henn  
Mark O' Donnell  
Evelyn DeWald  
Peter McConkey

## **Good News** *continued from page 3*

The main difference between volume submitter plans and M&P plans is that the attorney or client who sponsors the volume submitter plan may not amend it on behalf of the employers. This means that keeping the form of the plan up-to-date and compliant with the latest changes in law is more the employer's responsibility. However, if you have already adopted a volume submitter plan or intend to, you can be guaranteed 12 months in which to adopt the GUST approved volume submitter plan, just like employers who use M&P plans.

### **Is an M&P or Volume Submitter Plan Right for You?**

Only you can decide if one of these plans is suitable for your needs. Operating these retirement plans in compliance with the rules, and keeping the plans up to date requires some record keeping and administrative support. You will want to choose the plan of an institution that provides the kind of support that you need or make sure you'll be getting that support from an administrator or a professional advisor—such as an attorney, actuary, accountant, or consultant—who is expert in tax-qualified retirement plans. It's always good to know what's available and what advantages these plans may have to offer even though you may not look forward to amending plans again. You can see that it may not be all bad news after all. Employers should consult with their professional advisors before making any decision.

### **Need for Professional Advice**

Make sure the institution you choose provides all the customer support services needed to keep your plan tax-qualified. If it does not offer that support, you will want to get assistance from an administrator or a professional advisor – such as an attorney, actuary, accountant, or consultant – who is expert in tax-qualified retirement plans.

For information on additional tax-saving retirement options for small businesses, visit the Employee Plans Web site at: [www.irs.gov/ep](http://www.irs.gov/ep), and click on the subtopic "Retirement Plans for Small Businesses." ■

---

### **Message From Evelyn A. Petschek**

Commissioner, Tax Exempt & Government Entities (TE/GE) Division

I am excited to unveil the first edition of the *Employee Plans News* to the employee plans practitioner community. This newsletter is one of the ways in which we will keep you informed of the latest developments in our programs.

The EP Customer Education and Outreach office was established to promote voluntary, up-front compliance by helping you to better understand the complex tax laws we administer. To accomplish this, we must continue to keep a two-way dialogue open with our customers. Our past successes in the voluntary compliance arena are one example of how input from you, our customers, is so valuable. We want to continue that practice, so that we may better meet your needs.

As always, I encourage you to provide us with your feedback. I look forward to improving our already successful partnership. ■





**This newsletter is a perfect example of our vision of delivering a unified and coordinated Employee Plans program. We are working to coordinate conference and liaison activities as well as to improve our communication of technical and procedural assistance to all segments of the plan community.**

**Message From Carol D. Gold**

Director, Employee Plans

Within the IRS, the last year has been one of significant organizational change. Our goal, however, has been to continue to deliver our programs seamlessly, so that you may not even notice a difference, at least until you begin to benefit from the improvements. My intent is not to run through a litany of organizational restructuring, but rather to describe some of the operational improvements the office of Employee Plans hopes to realize in the coming months and years that will have an impact on our delivery of service to all of you.

The primary benefit of our new structure is enhanced coordination. For nearly fifty years the IRS was organized geographically, not functionally. In the employee plans arena, planning and interpretive guidance came from the office of the Assistant Commissioner EP/EO in Washington, but the implementation and further interpretation of that guidance varied from region to region. If you are a practitioner in this field, you probably encountered differences from region to region in the plan terms you were required to include or remove from a plan in order to get a favorable determination letter. You may also have had different experiences when you presented similar plan errors for resolution in the walk-in closing agreement program or when those errors were discovered on audit. Now within TE/GE, EP employees are learning to look to each other for guidance and assistance with respect to the delivery of our programs rather than to the tone established for a Region or District by the local Director.

This newsletter is a perfect example of our vision of delivering a unified and coordinated program. Our outreach efforts are coordinated centrally by Mark O'Donnell, who is working to coordinate conference and liaison activities as well as to improve our communication of technical and procedural assistance to all segments of the plan community—employers, participants, service providers and practitioners. Similarly our programs to resolve plan errors through both voluntary compliance and closing agreements are centrally coordinated by Joyce Kahn.

While the determination letter program has been centralized in Cincinnati for several years, our new structure facilitates lots of communication and coordination not just between Washington and Cincinnati, but also among the Area Offices. Paul Shultz, who joined EP last year after distinguished career in the private sector, has energized the technical and determination programs with lots of attention and “out-of-the-box” thinking.

Finally, centralized planning for our examination program in Baltimore will enable us to focus our resources where they are needed. Improved and coordinated planning within this program, headed by Preston Butcher, will help ensure that when you play by the rules, you are not undercut by those who don't follow the rules. By the same token, better classification should result in fewer disruptive audits of those plans that are carefully administered and self-audited.

Coordination is possible only if we encourage open communication. We value your input. It's wonderful to hear from you when we're doing something right, but the most valuable communication from you is when you ask us to do something better. In fact, some of our most dramatic success stories started with complaints about the status quo. So keep in touch.

Have a great year and remember, this is just the beginning! ■



**For further information concerning Rev. Proc. 2001-17, please contact Employee Plans taxpayer assistance telephone service at (202) 283-9516 or 9517 between 1:30 p.m. and 3:30 p.m., Eastern Time, Monday through Thursday. Alternatively, you may leave a message regarding EPCRS matters at (202) 283-9888, and one of our EPCRS experts will respond to you.**

## New Employee Plans Compliance Resolution System (EPCRS) Revenue Procedure

On January 19, 2001, Employee Plans overhauled the Employee Plans Compliance Resolution System (EPCRS) by publishing [Rev. Proc. 2001-17](#). Many modifications have been made in response to public comments, and further changes are expected to be made in response to additional feedback. Modifications contained in Rev. Proc. 2001-17 include:

- ▶ combining programs that allow voluntary correction with Service approval (the Voluntary Compliance Resolution program, the Walk-In Closing Agreement program, and the Tax-Sheltered Voluntary Correction program) into a single Voluntary Correction Program (VCP);
- ▶ expanding the program to include a special procedure for Simplified Employee Pensions [Voluntary Correction of SEP Failures (VCSEP)] and to allow certain organizations, such as master and prototype sponsors or third-party administrators, to receive a compliance statement for correcting failures that affect more than one plan sponsor [Voluntary Correction of Group Failures (VCGroup)];
- ▶ allowing plan sponsors to submit a request on an anonymous (John Doe) basis;
- ▶ facilitating correction of previous failures by plan sponsors that accept transfers of plan assets or effect plan mergers in connection with corporate mergers, acquisitions, and other employer transactions;
- ▶ permitting correction for employers that were not eligible to sponsor 401(k) plans at the time they adopted the plans; and
- ▶ permitting correction through retroactive amendment where employees are permitted to begin participation before they are eligible, as well as for failures related to permitting hardship withdrawals and for providing benefits on compensation in excess of the section 401(a)(17) limit. ■

## The Future of the EP Determination Letter Process

by Paul T. Shultz  
Director, EP Rulings & Agreements

Recently I've made public comments in several forums about the need to look at alternatives to the current Employee Plans determination letter process. As a result of my comments, I've received a number of questions from our employees and customers asking for clarification. Today I want to share with you some of my thoughts.

First, I believe that to ensure that our processes meet customer and business needs while remaining cost effective, it is important that we continually re-evaluate our systems and processes. Second, we already know that the current process is costly and cumbersome. It is not only complex, but also results in large workload spikes every five to 10 years which makes workload management difficult.

The complexity of the system and the workload fluctuations are, in large part, due to frequent changes in the pension law. These changes result in a patchwork of forms, processes, regulations, rules, and procedures — all created to cope with the law changes.

*continued on page 7*

**Future** continued from page 6

At this point, it is nothing more than discussion, but we must engage all of our stakeholders, including EP managers, frontline employees, and customers in a dialogue of alternatives to the current process. To begin a meaningful dialogue, we must ask, “Is there a better way to achieve the same benefits of the current process for plan participants and their employers, but at a lower cost and greater efficiency?”

We have no preconceived view of what the outcome of this dialogue should be. We might conclude that it would be best to keep the current process, or we may develop recommendations for significant changes. At a minimum, we hope that the discussion results in a better understanding of how we can improve the current system. There is certainly no current plan to eliminate the determination program. Even if significant changes were recommended, implementation would not occur for five to 10 years.

We hope to “mine” some golden ideas (small or large) for improving the way we do business. I welcome your thoughts and encourage you to send your thoughts to me at [paul.t.shultz@irs.gov](mailto:paul.t.shultz@irs.gov). I look forward to hearing from you. ■

**For determination letter applications sent in after March 3, 2001, be sure that the plan is updated for all the changes in the qualification requirements made by GUST, including those changes that are first effective in plan years beginning after December 31, 1998.**

GUST refers to:

1. the Uruguay Round Agreements Act, Pub.L. 103-465;
2. the Uniformed Services Employment and Reemployment Rights Act of 1994, Pub.L.103-353;
3. the Small Business Job Protection Act of 1996, Pub.L.104-188;
4. the Taxpayer Relief Act of 1997, Pub.L.105-34; and
5. the Internal Revenue Service Restructuring and Reform Act of 1998, Pub.L.105-206.

## **Tips for Expediting the Determination Letter Process**

The Service has estimated that it will receive 250,000 determination letter requests by the end of the remedial amendment period (generally, the end of the 2001 plan year). This will be a daunting workload for employers, practitioners, and the TE/GE Employee Plans staff. Below are tips that speed up the determination letter process.

**1. Multiple Applications** - A common concern of practitioners is that when a practitioner submits multiple applications, the applications are assigned to different agents who sometimes work in different offices. To help us address this: (i) group the applications together by:

- **Type** (e.g., profit-sharing, 401(k), money purchase, defined benefit);
- **User Fee** (e.g., requests for “Average Benefit or General Test” - Form 8717 question line 5 or 6);
- **Form** (e.g., 5300, 5307, 5310); and

(ii) identify the group of plans in the cover letter submitted with the applications.

**2. Proper User Fee** - In determining the appropriate user fee, some applicants focus on the Form being submitted (e.g., 5300, 5307, 5310) and overlook the fact that a different user fee is required if a determination is being requested on the Average Benefits Test or General Test.

**3. Form 2848, “Power of Attorney”** - For volume submitters, identify the volume submitter practitioner in Part I, line 2 (Representative) of Form 2848, and include his or her signature in Part II (Declaration of Representative).

**4. Prior Determination Letter** - Include the last favorable determination letter issued to the plan sponsor with the application. If you don’t have a prior letter, provide a signed and dated copy of the initial plan document or adoption agreement (with the volume submitter advisory letter, M&P opinion letter, or Regional Prototype notification letter, as applicable) and all subsequent amendments.

**5. Highlight Changes** - Highlight all changes to the last approved version of the plan document using either a highlight marker or underlining. While the highlight will expedite the review process, our review will not necessarily be limited to the changes highlighted.

**Tips** continued from page 7

**6. Advisory, Opinion, and Notification Letters applicable to the Plan Documents** - Provide the appropriate approval letter for the plan documents, and write the letter number from your prior approval letter on the plan document.

**7. Plan Documentation** - Include a copy of the plan and adoption agreement and all amendments since the last determination letter. If a volume submitter uses an adoption agreement, a copy of the associated plan must also be included.

**8. Employer Identification Number (EIN)** - Use the EIN of the plan sponsor, and not the associated trust.

**9. Volume Submitter Modifications** - Include either a list of modifications (added, deleted, or modified) to the volume submitter specimen plan identifying the plan sections affected, or a certification that the plan submitted is word-for-word identical to the specimen plan.

**10. Notice to Interested Parties** - Include a copy of the notice, and certify that it was provided to all employees.

**11. Signature** - Include an original signature, title and date. ■

Opinion, notification and advisory letters are not specific to an employer. Normally, these are issued to the practitioner or sponsor who wrote the volume submitter specimen plan or prototype plan.

■ **TEFRA** - Tax Equity and Fiscal Responsibility Act of 1982

■ **DEFRA** - Deficit Reduction Act of 1984

■ **REA** - Retirement Equity Act of 1984

## **Pension Plans in Plain English** **Today's Topic: Types of Letters Issued for Plans**

### **What is a determination letter?**

A determination letter is issued to a specific employer that has adopted a retirement plan. The letter is an expression by the IRS that the provisions of the plan meet the current requirements to qualify for special tax treatment (*qualification requirements*.) The plan may have been specifically written for the employer (*individually designed plan*.) Or the plan may be the employer's adoption of a pre-approved plan, such as a *prototype plan* or a *specimen plan* sent in by a volume submitter.

### **How do I know whether my determination letter is up to date?**

The determination letter will indicate the statutory changes that have been included in the review of the plan.

### **How do I know if a prototype plan meets the qualification requirements?**

Opinion or notification letters are issued to the company that offers the prototype plan for adoption (*the sponsor*) to individual employers. In order to determine if the opinion or notification letter is up to date, check the serial number in the letter. The serial number indicates the law changes considered in the plan review. For instance, a serial number beginning with 'C' indicates the plan has been considered for TEFRA, DEFRA and REA. A serial number beginning with 'D' indicates it has been considered for TRA '86.

### **How do I know if a specimen plan meets the qualification requirements?**

An advisory letter is issued to the sponsor of a volume submitter plan. It indicates that the plan language has been approved, and states the most recent statutory changes considered in that determination. For example, a "GUST I" letter will reference law changes "effective before the first day of the first plan year beginning after December 31, 1998." A "GUST II" letter will reference consideration of the Internal Revenue Service Restructuring and Reform Act of 1998 (RRA '98), Pub. L.105-206. ■





## CONTACTING EMPLOYEE PLANS

The *Employee Plans News* welcomes your comments about this edition and/or your suggestions for future articles.

### Send comments/ suggestions to:

- EP Customer Education & Outreach T:EP:CEO Room 4C3 1111 Constitution Ave., NW Washington, DC 20224
- FAX: (202) 283-9525
- E-mail: RetirementPlanQuestions@irs.gov

### For EP Customer Account Services

(for technical and procedural questions):

- Please call (877) 829-5500
- E-mail: RetirementPlanQuestions@irs.gov

Please provide your phone number in your e-mail message so that we can respond to your question(s).

### For further Employee Plans Information:

- Please go to the Employee Plans Corner at: [www.irs.gov/ep](http://www.irs.gov/ep)

## Significant Employee Plans Published Guidance

(October 2000 - February 2001)

### Revenue Rulings

<a href="#">Rev. Rul. 2000-53, 2000-47 I.R.B. 488</a>	2001 covered compensation tables
<a href="#">Rev. Rul. 2001-6, 2001-6 I.R.B. 491</a>	Whether payments by an ESOP in the redemption of stock are deductible as dividends under §404(k)

### Revenue Procedures

<a href="#">Rev. Proc. 2000-40, 2000-42 I.R.B. 357</a>	Additional automatic changes in funding methods, consolidation of 3 revenue procedures
<a href="#">Rev. Proc. 2000-41, 2000-42 I.R.B. 371</a>	Update of Rev. Proc. 78-37, changes in funding
<a href="#">Rev. Proc. 2001-6, 2001-1 I.R.B. 194</a>	Basic TE/GE revenue procedure for EP determination letters
<a href="#">Rev. Proc. 2001-8, 2001-1 I.R.B. 239</a>	User fees that pertain to TE/GE programs
<a href="#">Rev. Proc. 2001-17, 2001-7 I.R.B. 589</a>	Modifies and supersedes Rev. Proc. 2000-16 pertaining to EP corrections programs (EPCRS)

### Notices

<a href="#">Notice 2000-66, 2000-52 I.R.B. 600</a>	COLAs - §415(d) update for the year 2001
<a href="#">Notice 2001-9, 2001-4 I.R.B. 375</a>	Extension of relief from nondiscrimination rules for certain governmental and church plans
<a href="#">Notice 2001-10, 2001-5 I.R.B. 459</a>	Guidance on mortality tables and revocation of Rev. Rul. 55-747 which superseded P.S. 58. The notice also provides guidance under section 83 of the Code

### Announcements

<a href="#">Announcement 2000-71, 2000-44 I.R.B. 456</a>	Effect of §411(d)(6) regulations on determination letter requests
<a href="#">Announcement 2000-99, 2000-51 I.R.B. 591</a>	Reminds sponsors of master and prototype plans and volume submitter plans of the December 31, 2000, due date for the timely submission of GUST amendments

**Published Guidance** *continued from page 9*

[Announcement 2001-12, 2001-6 I.R.B. 526](#)

Additional guidance on master and prototype plans

**Regulations**

[§401\(a\)\(4\) Regulations, 2000-43 I.R.B. 421](#)

Proposed nondiscrimination regulations relating to new comparability-type plans

[REG-108553-00 - 65 Fed. Reg. 60822 \(Oct. 12, 2000\), 2000-44 I.R.B. 452](#)

Proposed foreign/domestic trust regulations

[§420 Regulations](#)

These proposed regulations relate to the minimum cost requirement under §420, which permits the transfer of excess assets of a defined benefit pension plan to a retiree health account

[§7476 Regulations](#)

In order to continue to advance the goal of permitting plan sponsors to use electronic media in administering their retirement plans, this amendment to the regulations eliminates the writing requirement for the notice to interested parties, and sets forth new standards for satisfying the notice requirement that would ensure that interested parties will receive timely and adequate notice

[§417\(a\)\(7\) Regulations](#)

These proposed regulations pertain to retroactive annuity starting dates within the meaning of §417(a)(7)

[§401\(a\)\(9\) Regulations](#)

These proposed regulations set out simplified minimum distribution rules for qualified plans, tax-sheltered annuities and individual retirement arrangements (IRAs)

► For a complete list, see [www.irs.gov/ep](http://www.irs.gov/ep) ■

**Partnership for Compliance for IRC 403(b) Annuities**

In 1999, Employee Plans implemented a pro-active customer education program called Partnership for Compliance for IRC 403(b) Annuities. This partnership between the IRS and its customers enhances understanding and compliance with the tax law applicable to section 403(b) tax-sheltered annuities. Under Partnership for Compliance, trained and experienced IRS employees provide educational services on section 403(b) tax-sheltered annuities. Such services include delivering speeches, participating in panel discussions, conducting training sessions and helping prepare newsletter articles. Organizations and other customers interested may request educational services.

*continued on page 11*



Customers may obtain details on **Partnership for Compliance** at [www.irs.gov/ep](http://www.irs.gov/ep)

**Partnership** *continued from page 10*

Partnership for Compliance is one part of a triad of EP compliance activities. Examinations and the correction programs are two other components that form the EP Compliance Model. This EP Compliance Model addresses and encourages voluntary compliance with all applicable tax laws relating to employee plans. EP can achieve its mission to provide our customers top quality service by helping them understand and comply with applicable tax laws and to protect the public interest by applying the tax law with integrity and fairness to all.

A recent example of the success of Partnership for Compliance was EP's involvement at the Association of School Business Officials (ASBO) International convention (held October 2000). At the convention, EP sponsored an exhibition booth and presented three interactive workshops. Through this partnership effort, hundreds of school business officials from across the country were able to receive a better understanding of tax laws applicable to IRC 403(b), plus educational information was shared relating to IRC 457 plans. ■

**2001 Calendar of EP Benefits Conferences**

Name	Date(s)	Location	Non-IRS Co-Sponsor(s)	For Further Information, Please Contact
<b>Great Lakes Benefits Conference</b> (Formerly Midstates Benefits Conference)	04/30/01- 05/01/01	Chicago, IL	American Society of Pension Actuaries (ASPA) & more than 20 Cooperating Sponsors	<a href="http://www.aspa.org">www.aspa.org</a> or ASPA Meeting Department (703) 516-9300
<b>10th Annual Employee Benefits Conference</b> (Sponsored by Mid-Atlantic and Gulf Coast Areas)	05/30/01- 05/31/01	Baltimore, MD	Employee Benefits Conference, Inc.	Kim Gnau or Alan Kanter (410) 486-4900
<b>14th Annual Cincinnati Employee Benefits Conference</b>	06/07/01- 06/08/01	Cincinnati, OH	Department of Labor & Cincinnati Bar Association	Cincinnati Bar Association Attn: CLE Department (513) 381-8213
<b>Northeast Benefits Conference</b> (2 Locations)	06/14/01 06/15/01	Boston, MA White Plains, NY	American Society of Pension Actuaries (ASPA) & Northeast Area's Pension Liaison Group	<a href="http://www.aspa.org">www.aspa.org</a> or ASPA Meeting Department (703) 516-9300
<b>Los Angeles Benefits Conference</b>	09/13/01- 09/14/01	Los Angeles, CA	American Society of Pension Actuaries (ASPA)	<a href="http://www.aspa.org">www.aspa.org</a> or ASPA Meeting Department (703) 516-9300
<b>SWBA/IRS 12th Annual Employee Benefits Conference</b>	10/22/01- 10/23/01	Dallas, TX	SouthWest Benefits Association (SWBA)	<a href="http://www.swba.org">www.swba.org</a> or SWBA (972) 478-8138

**2001 Employee Benefits Conferences** (for more information, see [www.irs.gov/ep](http://www.irs.gov/ep) )

**April 30 - May 1**

**Great Lakes** (formerly Midstates)

Conference info - Call American Society of Pension Actuaries (ASPA) at (703) 516-9300.

- get newest info on benefits regulation; litigation, enforcement, & compliance;
- network with practitioners, plan sponsors;
- talk with private industry & govt. agencies;
- see products & services.

Fairmont Hotel  
200 N. Columbus Drive  
Chicago, IL 60601  
(312) 565-8000 or (800) 526-2008  
fax (312) 856-1032

**May 30 - 31**

**Mid-Atlantic & Gulf Coast**

Conference info - Call Kim Gnau or Alan Kanter at (410) 486-4900.

topics:

- anatomy of an audit;
- vendor changes under 401(k);
- examination & determination latest issues;
- revisions to EP Compliance Resolution System;
- minimum distribution requirements;
- mergers and acquisitions.

Wyndham Hotel  
101 West Fayette Street  
Baltimore, MD 21201  
(410) 752-1100

**June 7-8**

**Cincinnati**

Conference info - Call Cincinnati Bar Association's CLE Department at (513) 381-8213.

topics:

- volume submitter plan developments;
- errors in filing determination letter applications;
- revisions to EP Compliance Resolution System;
- tips on plan design, administration (Sal Tripodi).

Hyatt Regency Hotel  
151 West Fifth Street  
Cincinnati, OH 45202  
(513) 579-1234

**June 14 / June 15**

**Northeast**

(2 locations—Boston MA & White Plains NY)

Conference info - Call ASPA Meeting Department at (703) 516-9300.

- learn about new distribution regulations, document restatements for GUST, mergers & acquisitions, new comparability regulations, IRS voluntary compliance program, DOL's VFC program;
- meet with IRS & Department of Labor.

June 14:  
Crowne Plaza Natick  
Natick, MA  
(508) 653-8800

June 15:  
Crowne Plaza  
White Plains, NY  
(914) 682-0050



Department of the Treasury  
Internal Revenue Service

[www.irs.gov](http://www.irs.gov)

Publication 3749 (4-2001)  
Catalog Number 31746D

**Internal Revenue Service  
Tax Exempt and Government  
Entities Division**

**Employee Plans News**

1111 Constitution Avenue, NW  
Room 4C3, T:EP:CEO  
Washington, DC 20224

Official Business  
Penalty for Private Use, \$300

**PRSR STD**

Postage and Fees PAID

**Internal Revenue Service**

Permit No. G-48