

Publications

Curtailment of the Determination Letter Program Impacts Plan Sponsors

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Due to the IRS' decision to significantly cut back its determination letter program, a plan sponsor's ability to get IRS "comfort" that changes to its individually designed plan will not result in the loss of its tax-advantaged status has gone away. This lack of comfort can impact a significant number of plan operations – from annual Form 5500 audits, to certain investments, to M&A transactions, to how the bankruptcy courts treat your employees' benefits under your plan. Set forth in the attached article is a look at what protections and purposes a determination letter provides and how plan sponsors can best replicate these protections and maintain reliance on an existing determination letter.