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IRS to Extend Deadline for Submitting Section 403(b) Preapproved Plans.

The IRS is leaning toward extending the April 30 deadline for plan sponsors to submit a section 403(b) preapproved plan, according to Jason Levine, manager of employee plans rulings and agreements in the IRS Tax-Exempt and Government Entities Division.

Levine, speaking March 20 at the annual Washington Nonprofit Legal and Tax Conference in Arlington, Va., said the IRS received a lot of comments on Rev. Proc. 2013-22, 2013-18 IRB 985, seeking an extension of the deadline to allow plan sponsors more time to submit plans. "We expect there will be something coming out soon about extending the deadline," Levine said.

An IRS official in July 2013 said the agency had little flexibility to change the deadline because of time constraints with reviews of defined contribution plans.

Rev. Proc. 2013-22, issued in March 2013, established the section 403(b) preapproved plan program after years of delays. The draft revenue procedure was first announced in 2009 (Announcement 2009-34, 2009-18 IRB 916). The program's goal is to promote compliance with the section 403(b) regulations that impose a written plan document requirement on plan sponsors.

After the plan submission deadline, "there will be a period of time, probably a year or so," in which the IRS will review the plans and issue letters, according to Levine. The IRS will then establish a timeline for employers to come in and adopt the plans, he said.

Once employers are able to adopt plans, they will have a "fair amount of time, probably at least a year," to review the plans and adopt the one they want, Levine said.

by Matthew R. Madara

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