



IRS Publishes Qualified Plan Distribution Notices

Employment, Labor & Benefits Practice Group

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PRACTICE AREAS

Employee Benefits

The administrator of a qualified retirement plan is required to provide each recipient of an eligible rollover distribution a written explanation of the tax treatment of that distribution. This rule also applies to distributions from governmental 457(b) deferred compensation plans and 403(b) tax deferred annuities.

The written explanation must describe the direct rollover rules, the mandatory income tax withholding rules for distributions not directly rolled over, the tax treatment of distributions that are not rolled over and when distributions may be subject to different restrictions and tax consequences after being rolled over. The notice must be distributed no less than 30 days and no more than 180 days prior to the distribution date.

The IRS recently published two revised model notices that plan administrators may use to satisfy this notice requirement; one notice is to be used for distributions that include Roth elective deferrals, and the second notice is to be used for distributions that do not include Roth elective deferrals. A plan administrator that uses these IRS model notices will be deemed to have complied with the applicable notice requirements.

The revised notices simplify the description of the participant's options with regard to an eligible rollover distribution and broaden the information previously contained in the model notice. We have reproduced these notices for use by our clients and have made them available for download from our web site. (Click the links below to view and save the documents.)

- [Roth 402\(f\) Notice](#)
- [Non-Roth 402\(f\) Notice](#)

Please note that the Non-Roth Notice should be used for distributions that do not include Roth elective deferral amounts. Both notices should be given for distributions that include both Roth and non-Roth amounts. The notices may be customized to omit information that does not apply to your plan. Please contact your Foster Swift employee



benefits professional if you want our assistance to modify the notices to fit your plan.