



Qualified Plans: Approaching Compliance Deadlines

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PRACTICE AREAS

Employee Benefits

Sponsors of qualified retirement plans should note certain approaching deadlines for amending their plans. Satisfaction of all of the various deadlines will help ensure that affected retirement plans maintain their qualified status.

COMPLIANCE AMENDMENTS REQUIRED FOR 2010

Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act)

The 2008 enactment of the HEART Act expanded the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The provisions of the HEART Act include pension incentives for military personnel by setting certain requirements for the treatment of wages and benefits of employees on military leave. Additional guidance was issued by the IRS during January 2010 to clarify various provisions of the HEART Act. Employer sponsors must now amend their qualified retirement plans to reflect the requirements of the HEART Act. The general IRS deadline for amending qualified retirement plans to reflect the requirements of the HEART Act (as clarified by the 2010 guidance) is the last day of the 2010 plan year (December 31, 2010 for calendar year plans). However, an extended deadline until the last day of the 2012 plan year applies to qualified retirement plans that are sponsored by governmental entities.

Final Code Section 436 Regulations

Final regulations governing benefit restrictions under Code Section 436 were issued by the IRS during October 2009. As a result, employer sponsors must amend their qualified defined benefit plans to comply with these final regulations. The IRS deadline for amending such plans to comply with the final Code Section 436 regulations is the last day of the 2009 plan year (December 31, 2010 for calendar year plans).



EGTRRA RESTATEMENTS FOR CYCLE E PLANS

All qualified retirement plans that are categorized as "Cycle E" plans must be restated and submitted to the IRS for approval on or before January 31, 2011. Cycle E plans include: (a) individually designed plans that are sponsored by employers whose taxpayer identification numbers end with 5 or 0; and (b) plans maintained by governmental entities where the employer sponsor chose to delay the restatement beyond the otherwise applicable January 31, 2009 "Cycle C" deadline.