April 30th Deadline Approaching for Updating Pre-Approved Defined Contribution Plans

April 13, 2016

The IRS recently reminded plan sponsors of pre-approved defined contribution plans (*e.g.*, prototype and volume submitter plans) that they must adopt restated plan documents, which incorporate certain changes in the law, such as the Pension Protection Act of 2006, no later than April 30, 2016. Sponsors of pre-approved plans should have already received a restated plan document from their service provider, along with a copy of the IRS opinion letter that will apply to the restated plan. In a related announcement, the IRS provided an additional method for employers to correct a failure to timely adopt a pre-approved plan document. Previously, the only correction method available was for an employer to file an application under the IRS?ÃÃs Voluntary Correction Program under the Employee Plans Compliance Resolution System. Now, the financial institution or service provider responsible for the pre-approved plan can submit a proposal to the IRS for an umbrella closing agreement that would cover each individual employer who failed to timely adopt the pre-approved plan document. Additional information on the April 30th deadline to adopt a restated pre-approved plan document, as well as the new method for correcting a failure to timely adopt a pre-approved plan document, is available?Ã¡**here**.