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Automatic Approval of Funding Method Change for Takeover Plans

January 15, 2015

Generally, a change in the funding method for a single-employer defined benefit plan subject to minimum funding standards must be approved by the Treasury Department. An IRS announcement grants automatic approval for a change in funding method that results from a change in the enrolled actuary and actuarial business organization if the new enrolled actuary uses different valuation software or otherwise applies the funding method in a different manner than the prior enrolled actuary, and among other things, the funding target, target normal cost, and actuarial value of plan assets are within five percent of such values using the prior funding method. IRS Announcement 2015-3 is available **here**.