ESOP Guidance Issued

March 5, 2011

The IRS issued guidance regarding when employer securities are readily tradable on an established securities market or established market. If an employer?ÃÃs securities are not considered readily tradable, the employer?ÃÃs ESOP must satisfy additional requirements, including requirements regarding voting rights, distribution rights, and valuations. The guidance clarifies that for purposes of these requirements, readily tradable on an established securities market means the security is traded on a (1) registered national securities exchange or (2) foreign national securities exchange supervised by a governmental authority and, generally, the security is included on the FTSE Group All-World Index. The guidance is effective for plan years beginning on or after January 1, 2012. For plans that have securities on a foreign exchange, the guidance is effective for plan years beginning on or after January 1, 2013. Taxpayers can rely on the guidance after March 14, 2011.