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IRS Announces Additional Requirements for Defined Benefit Plan Determination Letter Applications

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The IRS recently announced new requirements for determination letter applications for defined benefit plans. Applicants must identify, either in the cover letter to the application or in an attachment, whether the plan contains language which allows participants already receiving annuity payments to accelerate their remaining payments by receiving a lump sum in lieu of a future annuity stream. If the plan does contain such language, also identify whether it satisfies one of the four ?ÃÂ£Pre-Notice Acceleration?ÃÂ¥ conditions in Notice 2015-49. If the applicant states that such risk transfer language is included in the plan and it satisfies one of the conditions in Notice 2015-49, then the IRS will issue a determination letter with a favorable caveat providing reliance on the risk transfer language. Plans with risk transfer language that don?ÃÃt meet one of the conditions in Notice 2015-49 will not receive a determination letter unless the risk transfer language is removed. The IRS?ÃÃs announcement can be found?Ã¡**here**.