

IRS Extends Nondiscrimination Relief for Closed Defined Benefit Plans through 2018

October 3, 2017

In Notice 2017-45, the IRS extended the temporary nondiscrimination relief that it provided in Notice 2014-5 for plan years beginning before 2019. Notice 2014-5 permits certain employers that sponsor a “closed” defined benefit plan and a defined contribution plan to demonstrate that the aggregated plans comply with the nondiscrimination requirements of Section 401(a)(4) of the Internal Revenue Code on the basis of equivalent benefits, even if the aggregated plans do not satisfy the current conditions for testing on that basis. A “closed” defined benefit plan for purposes of these Notices provides ongoing accruals but was amended before December 13, 2013, to limit those accruals to some or all of the employees who participated in the plan as of a certain date (*i.e.*, is frozen to new participants). [View IRS Notice 2017-45](#). [View IRS Notice 2014-5](#).