IRS Issues Temporary Relief from Nondiscrimination Requirements for Closed Defined Benefit Plans

December 19, 2013

IRS Notice 2014-5 provides temporary nondiscrimination relief for certain defined benefit pension plans that have been ?ÃÂ£frozen?ÃÂ¥ to new entrants (*e.g.*, a defined benefit plan that provides ongoing accruals for employees who were hired before a specified date).?Ã¡ The notice permits certain employers that sponsor a ?ÃÂ£closed?ÃÂ¥ defined benefit plan and an ongoing defined contribution plan to demonstrate that the aggregated plans comply with the nondiscrimination requirements of Section 401(a)(4) of the Internal Revenue Code of 1986, as amended (the ?ÃÂ£***Code***?ÃÂ¥), on the basis of equivalent benefits, even if the aggregated plans do not satisfy the current conditions for testing on that basis.?Ã¡ The notice also requests comments on possible permanent changes to the nondiscrimination rules under Section 401(a)(4).?Ã¡?Ã¡ Notice 2014-5 can be found?Ã¡**here**.