

IRS Publishes Final Hybrid Plan Regulations

December 10, 2015

The IRS recently issued final hybrid plan regulations which permit specified changes to interest crediting rates to comply with previously issued hybrid plan regulations without violating the anti-cutback restrictions of ERISA and the Internal Revenue Code. Prior final regulations issued in 2010 and 2014 provide a list of interest crediting rates and combinations of rates that satisfy the requirement that a plan not provide an effective rate of return in excess of a market rate of return. Hybrid plans with interest crediting rates that may exceed permissible rates must be amended to reduce their current rates. This reduction with respect to accrued benefits would, in the absence of the relief provided in these final regulations, violate anti-cutback restrictions under ERISA and the Internal Revenue Code. The final regulations also generally extend the effective date and required amendment date requirements applicable to interest crediting rates until January 1, 2017 (and a later date for collectively bargained plans). The final regulations can be found [here](#).