

IRS Releases Additional Guidance on Determination Letter Program Changes

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Rev. Proc. 2016-37 provides new guidance on changes to the IRS's determination letter program for individually designed, qualified retirement plans. As previously announced in Notice 2016-03, the five-year remedial amendment cycle for individually designed plans will be eliminated effective January 1, 2017. After that date, individually designed plans may only seek a determination letter for the plan's initial qualification, upon the plan's termination, and in certain other circumstances. Rev. Proc. 2016-37 states that such other circumstances may include significant law changes, new plan design approaches, and the inability of certain plans to convert to pre-approved plan documents. The IRS will consider its current case load and available resources when deciding if and when to permit determination letter requests in these other circumstances. To help plan sponsors remain in operational compliance with the Internal Revenue Code's various qualification requirements, the IRS will begin issuing an annual Operational Compliance List that identifies changes in qualification requirements that are effective during a calendar year. In addition, the IRS will also begin issuing a Required Amendment List after October 1 of each year, which will contain a list of all amendments required for a plan to keep its qualified status. The listed amendments generally must be adopted by December 31 of the second calendar year following the year in which the list is published. For example, amendments on the 2016 Required Amendment List should be adopted by December 31, 2018. Rev. Proc. 2016-37 is available [here](#). A Fact Sheet discussing the changes implemented by Rev. Proc. 2016-37 is available [here](#).