

Proposed Regulations Regarding Hybrid Defined Benefit Plans Offer Transition Relief

October 1, 2014

As discussed above, the final regulations provided additional guidance on the requirement that a hybrid defined benefit plan not provide for interest credits at an effective rate that is greater than a market rate of return. Proposed regulations were also issued that permit a hybrid defined benefit plan that does not currently satisfy this requirement to satisfy the requirement by changing the specific portions of interest crediting rates that are not consistent with the final regulations to permitted interest crediting rates without violating the anti-cutback rules under ERISA. Comments on the proposed regulations must be received by December 18, 2014, and a public hearing is scheduled for January 9, 2015. The proposed regulations can be found [here](#).