

# News You Can Use

Tools for Corporate Executives

## **IRS Administrative Relief – Defined Contribution Benefit Plans**

The Internal Revenue Service (IRS) has announced that it will provide administrative relief for sponsors of defined contribution employee benefit plans, such as 401(k) plans, that have been affected by the severe weather this spring across the country.

Specifically, the IRS administratively extends to July 30, 2010 the April 30<sup>th</sup> deadline for restating affected pre-approved defined contribution plans and for submitting determination letters to the IRS, as well as extending the section 401(b) remedial amendment period for these retirement plans to July 30, 2010. This relief provided by the IRS is in addition to the statutory relief already provided under section 7508A to taxpayers affected by the federally declared disasters in these areas.

Sponsors in the following states may be eligible for the aforementioned relief: Alabama, Connecticut, Massachusetts, Mississippi, New Jersey, Rhode Island, Tennessee, and West Virginia – which were all declared Presidential Disaster Areas in the period from March 1<sup>st</sup> through May 31, 2010.

A plan is considered affected only if any of the following locations relating to the plan were in the federally declared disaster area at the time of the disaster:

- The principal place of business of the employer that maintains the plan;
- The principal place of business of the employer that employs more than 50 percent of the active participants covered by the plan;
- The office of the plan or the plan administrator;
- The office of the primary record keeper serving the plan; or,
- The office of any advisor that had been retained by the plan or the employer at the time of the storms or other severe weather that is directly involved with the adoption of the plan or the submission of a determination letter application to the IRS.

For more information on this notice of administrative relief, please do not hesitate to contact me at (412) 391-1994.

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