



# eBenefits Alert: IRS Announces Elimination of Determination Letter Program for Individually Designed Plans

July 24, 2015

The IRS announced Tuesday that it will be eliminating the determination letter program starting Jan. 1, 2017. This means that plan sponsors of individually designed plans will no longer have the ability to seek a determination letter on a staggered 5-year cycle. Instead, determination letters will be, for the most part, only available for initial plan qualification and upon plan termination.

In addition, effective July 21, 2015, the IRS ended a provision allowing application for an off-cycle determination letter. The IRS is seeking comments on implementation issues, including circumstances in which a request for a determination letter may be allowed, as well as changes to the normal requirements for interim amendments or the resources available to implement them going forward.

If your plan is currently on the 5-year cycle and is scheduled to submit a determination letter application between February 1, 2016 and January 31, 2017, you will continue to be permitted to make the filing as scheduled. If you have questions about what the implications of this announcement are on your individually designed plan, please contact one of the members of Gray Plant Mooty's Employee Benefits and Executive Compensation group or look for additional information regarding the consequences of this announcement in the coming months.