

BenefitsBCLP

## **[UPDATED] NEW YEAR'S RESOLUTION FOR 403(B) PLAN SPONSORS**

Jan 14, 2020

### **UPDATE:**

The IRS has posted the following information regarding extension of the deadlines for 403(b) plans a(see complete posting [here](#)). The IRS is extending the last day of the initial remedial amendment period for Section 403(b) plans from March 31, 2020, to June 30, 2020. Plan sponsors now have until June 30, 2020, to update their pre-approved and individually designed 403(b) plan documents.

### **ORIGINAL POST:**

Previously we posted on our blog about a deadline looming in the distance for 403(b) plan sponsors to adopt a pre-approved plan document. Now that 2020 has arrived, the deadline is just around the corner and imminent action is required.

As you may know, if a plan sponsor retroactively adopts a pre-approved plan by the last day of the remedial amendment period on (3/31/2020), it will automatically be deemed to have corrected any form defects in the plan document it previously adopted and will be considered to be in compliance with applicable plan document requirements back to January 1, 2010.

This opportunity is important because although an individually designed plan can be amended to correct any form defects prior to the end of the remedial amendment period, the IRS has opted against establishing a determination letter program for 403(b) plans at this time. As a result, adoption of a pre-approved plan document is the only way to obtain assurance from the IRS that a 403(b) plan document is fully compliant.

For more background and our suggested Action Steps, see our [prior blog post](#). Do not delay because the process will take some time and you don't want the opportunity to limit exposure for your 403(b) plan to pass you by.

If your plan design does not lend itself to a pre-approved plan document and you intend to update your individually designed 403(b) plan document, you will still need to adopt any necessary amendments prior to the end of the remedial amendment period on 3/31/2020.

## RELATED PRACTICE AREAS

- Employee Benefits & Executive Compensation
- Employee Benefits & Executive Compensation

## MEET THE TEAM



### Denise Pino Erwin

Denver

[denise.erwin@bclplaw.com](mailto:denise.erwin@bclplaw.com)

[+1 303 866 0631](tel:+13038660631)

---

This material is not comprehensive, is for informational purposes only, and is not legal advice. Your use or receipt of this material does not create an attorney-client relationship between us. If you require legal advice, you should consult an attorney regarding your particular circumstances. The choice of a lawyer is an important decision and should not be based solely upon advertisements. This material may be “Attorney Advertising” under the ethics and professional rules of certain jurisdictions. For advertising purposes, St. Louis, Missouri, is designated BCLP’s principal office and Kathrine Dixon ([kathrine.dixon@bclplaw.com](mailto:kathrine.dixon@bclplaw.com)) as the responsible attorney.