

### **IRS Grants 403(b) Plan Sponsors a Last Minute Break**

403(b) Plan Sponsors received a last minute reprieve on December 11, 2008. The Internal Revenue Service granted extra time to comply with the requirement to have a formal written plan in place by January 1, 2009. Realizing that some sponsors were not going to be able to comply with this requirements, the IRS stated that they will not treat a 403(b) plan as failing to satisfy the requirements during the 2009 calendar year, provided that they:

1. Adopt a written 403(b) plan by December 31, 2009
2. Operate the plan in accordance with the new 403(b) regulations in the 2009 plan year
3. Retroactively correct any operational failure during the 2009 calendar year to conform to the formal written 403(b) Plan that is adopted

### **Another Update**

Expect a Revenue Procedure establishing a pre-approved plan program and guidelines allowing plans to make remedial amendments to retroactively fix plan provisions under rules that are similar to those that apply for 401(k) plans.

As we receive more updates, Alliance Pension Consultants will keep you informed.

Official IRS Notice link: <http://www.irs.gov/pub/irs-drop/n-09-03.pdf>