

## **PPA Pre-Approved Plan Document Restatement Window for DC Plans**

**The IRS announces the two-year restatement window for pre-approved defined contribution plans with the release of Announcement 2014-16.**

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With the release last week of Announcement 2014-16, the IRS has provided the beginning and ending dates for the new two-year restatement period for defined contributions plans that use a pre-approved plan document. Plan sponsors who use a pre-approved plan document must restate their plan documents onto the new "PPA" version within the two-year window. Examples of defined contribution plans are 401(k) plans and profit sharing plans.

The two year window will start approximately May 1, 2014, and end on April 30, 2016.

A pre-approved plan document is one in which the IRS has already approved the plan language for use by a plan sponsor, and usually takes the form of a prototype or volume submitter document. Since the laws and tax code regulations effecting retirement plans are constantly changing, the IRS has developed a six-year restatement cycle to ensure that pre-approved plan document language is as up to date as possible. The last two years of the six-year cycle is the period in which plan sponsors must restate their plan documents onto the updated versions.

Plan sponsors with defined contribution plans that have been existence since before 2008 may recall the "EGTRRA" restatement period, which required plan documents to be restated no later than April 30, 2010.

In Announcement 2014-16 the IRS states that they will be issuing their opinion and advisory letters for pre-approved prototype and volume submitter plans on March 31, 2014. The IRS further states that the two year window for plan sponsors to restate their pre-approved plan documents will end on April 30, 2016.

The restatement period is an excellent time to review all of a plan's current provisions to see if there are any improvements that can be made to the plan design.

Please do not hesitate to contact our office if you have any questions regarding the plan document restatement requirement.