



## IRS Provides One-Year Extension to Adopt Certain PPA-Related Amendments

Today, the IRS issued [Notice 2009-97](#), which extends by one year – to the last day of the 2010 plan year – the deadline for amending qualified retirement plans to reflect certain provisions of the Pension Protection Act (PPA) and the Worker, Retiree and Employer Recovery Act of 2008 (WRERA).

The extension applies to amendments regarding –

- the IRC Section 436 funding-based benefit limitations for single employer defined benefit plans
- many, but not all, of the special requirements relating to hybrid plans under Sections 411(a)(13) and 411(b)(5). For example, the deadline for amendments changing vesting schedules and implementing the market rate of return rules is extended, while the deadline for an amendment specifying that the present value of the accrued benefit is equal to the account balance is not extended.
- the diversification requirements for defined contribution plans that provide for investment in company stock under Section 401(a)(35).

The notice also provides relief from the Section 411(d)(6) anti-cutback rules for plan amendments implementing the funding-based benefit limitations that meet the extended deadline, and suggests that limited Section 411(d)(6) relief will be provided in forthcoming final regulations for hybrid plan amendments made before the last day of the 2010 plan year.

***BUCK COMMENT.*** *Importantly, the notice does not provide a blanket extension of the amendment deadline for all plan document changes that are required to comply with or to implement changes made by PPA or WRERA. Moreover, the notice states that Section 411(d)(6) anti-cutback relief will not be granted for amendments made after the original PPA deadline, except for the limited class of amendments described above. In particular, there is no extended deadline and no expanded Section 411(d)(6) relief for plan amendments addressing the PPA changes to the Section 417(e) provisions specifying the "applicable interest rate" and the "applicable mortality table."*

The notice provides welcome relief for some plan sponsors that are rushing to get amendments adopted by the end of December, but there still may be amendments that need to be made by the last day of the 2009 plan year. Buck's consultants are ready to assist with any necessary plan amendments.

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*This FYI is intended to provide general information. It does not offer legal advice or purport to treat all the issues surrounding any one topic.*