

Restatements, again!

Under current IRS rules and procedures, most qualified retirement plans must be restated (rewritten from scratch) every 6 years...just because. (OK, not really "just because"; there are historical reasons that we won't bore you with, but in a nutshell, Congress, DOL and the IRS tinker with the rules so often that there are usually valid reasons to start over every 6 years.)

We are approaching another restatement period; following are some items of note about the restatements:

- **What** - this is known as a "PPA" restatement, named after the Pension Protection Act of 2006. The Act had a host of changes that were effective at various times following its enactment...none of which are significant enough to describe, although cumulatively, a rewrite makes sense. We've actually prepared amendments already and have been administering plans under the new provisions.
- **When** - there will be a window that opens May 1, 2014 and closes April 30, 2016, and, except for a few special situations, we'll be restating your plan in that window.
- **Who** - we will prepare the document for your signature, using our document provider, *Fort William LLC* - their name appears on the document, so if you notice it, it's correct and not that we mixed you up with another client.
- **How much** - (**change in billing practices**) - there will not be a separate, one-time fee for the restatement as we've done in the past. Instead, we'll start charging an annual document maintenance fee, which will cover the restatement, as well as other interim amendments that might be required by the IRS every few years in between restatements. It will probably be on the order of \$150-\$175, which, if multiplied by 6, is less than a typical one-time restatement fee, with further savings since we won't be billing for interim amendments. (In other words, we're cutting you a break.) Special arrangements will be honored and generally we'll give you the benefit of the doubt when one practice vs. the other is in your favor. Note, however, that discretionary amendments, i.e. those that you request, will be charged at applicable rates.
- **Generally**, you may **not** submit your plan for an approval letter as you could in the past. These are pre-approved documents, and the IRS really doesn't want to waste the time rubber-stamping them, even if they get paid for it.

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