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IRS' ACT Issues Sweeping Recommendations on Determination Letter Program According to Project Chair Marcia Wagner

Boston, June 15, 2010 – The Employee Plans subcommittee of the Internal Revenue Service (IRS) Advisory Committee on Tax Exempt and Government Entities (ACT) conducted a comprehensive review and offered sweeping recommendations for the staggered determination letter program. Implemented by the IRS five years ago, the determination letter program was designed to assist plan sponsors with fast and easy compliance in the complicated maze of ERISA regulations. In its review, the ACT contacted stakeholders in the benefits community for input and suggestions, including employee plan specialists, plan sponsors, benefits attorneys, actuaries, accountants, third party administrators, consultants, plan document providers and organizations representing participants, among others.

“Our goal was two-fold: to provide a historical overview and to offer insights and commentary about the program with recommendations for improvement,” says [Marcia S. Wagner](#), Project Chair for ACT and their [Determination Letter Program Report](#) issued in June 2010, and the Managing Director of [The Wagner Law Group](#), A Professional Corporation. “Our recommendations propose changes to the IRS’ current determination letter program around the interim amendment requirement.”

According to Ms. Wagner, the current interim amendment requirement places a heavy burden on the private pension system. During the last three pieces of employee benefits legislation, Congress superseded the existing interim amendment rules. The ACT recommends that these interim amendment rules be modified and that future plan amendment adoption deadlines be clarified. The Committee also recommends better guidance and supporting information for 403(b) non-profit pension plans.

The Report includes recommendations to: improve customer service, streamline the determination letter process, improve coordination with the Employee Plans Compliance Resolution System and prioritize certain off-cycle filings. The ACT recommends that the IRS create a taxpayer advocate or designated EP determination letter specialist for resolution of unique issues that arise during the determination letter process. The Report also includes recommendations related to funding, training and staffing for the EP Determinations unit.

[The Wagner Law Group](#), located in Boston, specializes in ERISA, employee benefits and executive compensation law. Established in 1996, The Wagner Law Group, with 15 attorneys engaged exclusively in [employee benefits law](#), is among the largest ERISA boutiques in the U.S. with clients in over 30 states and several foreign countries.