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The District of Columbia Bar

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MEMORANDUM

TO: Members of the Board of Governors

FROM: Lynne M. Lester *LMJ*
Manager, Divisions Office

DATE: May 6, 1986

SUBJECT: Letter addressed to the Commissioner of Internal Revenue, IRS, in opposition to proposed regulations on availability of alternative forms of benefit under qualified plans (Sections 1.401(a)-4 and 1.411(d)-4.)

Pursuant to Division Guideline No. 13, Section a, the enclosed proposed public statement is being sent to you by Employee Benefits Committee, Taxation Division

(a)(iii): "No later than 12:00 noon on the seventh (7th) day before the statement is to be submitted to the legislative or governmental body, the Division will forward (by mail or otherwise) a one-page summary of the comments (summary forms may be obtained through the Divisions Office), the full text of the comments, and the full text of the legislative or governmental proposal to the Manager for Divisions. The one-page summary will be sent to the Chairperson(s) of each Division steering committee and any other D.C. Bar committee that appear to have an interest in the subject matter of the comments. A copy of the full text and the one-page summary will be forwarded to the Executive Director of the Bar, the President and President-Elect of the Bar, the Division's Board of Governors liaison, and the chairperson of the Committee on Divisions. Copies of the full text will be provided upon request through the Divisions Office. Reproduction and postage expenses will be incurred by whomever requested the full text (i.e., Division, Bar committee or Board of Governors

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account). The Manager for Divisions shall help with the distribution, if requested, and shall forward a copy of the one-page summary to each member of the Board of Governors. In addition, the Manager for Divisions shall draw up a list of all persons receiving the comment or statement, and he/she shall ascertain that appropriate distribution has been made and will assist in collecting the views of the distributees. If no request is made to the Manager for Divisions within the seven-day period by at least three (3) members of the Board of Governors, or by majority vote of any steering committee or Committee of the Bar, that the proposed amendment be placed on the agenda of the Board of Governors, the Division may submit its comments to the appropriate federal or state legislative or governmental body at the end of the seven-day period."

a(vi): The Board of Governors may request that the proposed comments be placed on the agenda of the Board of Governors for the following two reasons only:

(a) The matter is so closely and directly related to the administration of justice that a special meeting of the Bar's membership pursuant to Rule VI, Section 2, or a special referendum pursuant to Rule VII, Section 1, should be called, or (b) the matter does not relate closely and directly to the administration of justice, involves matters which are primarily political, or as to which evaluation by lawyers would not have particular relevance.

a(v): Another Division or Committee of the Bar may request that the proposed set of comments by a Division be placed on the Board's agenda only if such Division or Committee believes that it has greater or coextensive expertise in or jurisdiction over the subject matter, and only if (a) a short explanation of the basis for this belief and (b) an outline of proposed alternate comments of the Division or Committee are filed with both the Manager for Divisions and the commenting Division's Chairperson(s). The short explanation and outline of proposed alternate comments will be forwarded by the Manager for Divisions to the Board of Governors.

a(vi): Notice of the request that the statement be placed on the Board's agenda lodged with the Manager for Divisions by any Board member may initially be telephoned to the Manager for Divisions (who will then inform the commenting Division), but must be supplemented by a written objection lodged within seven days of the oral objection.

Please call me by 5:00 p.m., Tuesday, May 13, 1986
if you wish to have this matter placed on the Board of Governors'
agenda for Tuesday, May 13, 1986

Enclosures



The District of Columbia Bar

PROPOSED PUBLIC STATEMENT SUMMARY

Date: 4/24/86

Division: Taxation (16)

Committee: Employee Benefits

Contact Person: Patricia G. Lewis, 862-5017

Type of public statement: Amicus Brief _____ Resolution _____
Letter _____ Testimony _____
Report/study _____ Other X _____

Comments approved by the steering committee: Yes X No _____

Recipient of public statement: Commissioner of Internal Revenue

Expedited consideration requested (two-day review period): Yes _____ No X

Standard seven-day review period requested: Yes X No _____

Subject title: Comments on Proposed Regulations on Availability of
Alternative Forms of Benefit under Qualified Plans

Summary: Please attach a one-page summary of proposed comments.

Division 16
Taxation
Of The District of Columbia Bar

Steering Committee:

Jane C. Bergner
Chair

Jeanna M. Cullins
Collette C. Goodman
Leonard J. Henzke, Jr.
Bradley M. Seltzer
James E. Vlach



Committees:

Business Related Taxes
Employee Benefits
Estate Planning/Death
Related Taxes
Exempt Organizations
Tax Audits & Litigation
Tax Legislation, Rulings
and Regulations

April 24, 1986

Commissioner of Internal Revenue
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, D.C. 20224

Attention: CC:LR:T(EE-95-84)

Re: Proposed Regulations on Availability of Alternative
Forms of Benefit Under Qualified Plans

Dear Sir:

This letter sets forth comments by the Employee Benefits Committee of the Division of Taxation of the District of Columbia Bar¹ on proposed regulations sections 1.401(a)-4 and 1.411(d)-4. The proposed regulations were published in the Federal Register on January 30, 1986.

THE PROPOSED REGULATIONS

The proposed regulations would impose two limitations on the ability of a qualified plan to restrict the availability of alternative forms of benefits (including the timing of the commencement of a particular form of benefit). First, the plan must not impose conditions on the right of a participant or beneficiary to receive an alternative form of benefit if the effect of the

¹ The views expressed herein represent only those of Division 16 (Taxation) of the District of Columbia Bar and not those of the D.C. Bar or of its Board of Governors.

condition is, or may reasonably be expected to be, to discriminate in favor of the prohibited group with respect to the availability of the benefit form; specific tests are provided for making this determination. This rule is premised on Code section 401(a)(4). Second, a plan must not condition the availability of an alternative form of benefit on the consent or exercise of discretion by the employer, trustee, plan administrator, actuary, or other person (other than the participant). This restriction is imposed under Code section 411(d)(6)(B), which prohibits the elimination of an optional form of benefit by plan amendment, Code section 401(a)(25), which requires that a defined benefit plan specify actuarial assumptions in a way which precludes employer discretion, both of which provisions were added by the Retirement Equity Act of 1984, and the definitely determinable benefit requirement for pension plans under Code section 401(a).

Under the proposed regulations, an existing plan generally must be amended to comply with the new requirements by the first day of the second plan year beginning on or after January 30, 1986, and the amendment must be effective by the same date. The amendment may either eliminate the discriminatory conditions or the consent or discretion requirement, or eliminate the alternative benefit form.

SUMMARY OF COMMENTS

We believe that the proposed regulations exceed the scope of the statutory provisions that they purport to interpret, and are not justified from a policy standpoint.

With regard to the first proposed limitation, § 1.401(a)-4, we note that the Internal Revenue Service long recognized that plans could be nondiscriminatory without providing identical benefits for all employees and that different, but "comparable," plans for different groups of employees could satisfy the requirements. The position espoused by the proposed regulations, that a plan is per se discriminatory if it favors the prohibited group with respect to the availability of a particular form of benefit, even if an actuarially equivalent form is available to the other plan participants and even if there are other mitigating circumstances, cannot be reconciled with these longstanding interpretations. While it may be appropriate to consider the availability of benefit forms as one factor in making an overall determination as to the nondiscriminatory nature of benefits, a free-standing, independent nondiscrimination test for benefit forms is unwarranted.

We especially feel that the second limitation in the proposed regulations, the prohibition of administrative consent or discretion provisions, is unauthorized by the Code, the relevant legislative history, or policy considerations. Code section

411(d)(6), the only Code provision relied upon by the Service that applies to all qualified plans, prohibits "a plan amendment" from eliminating an optional form of benefit. The proposed regulations go beyond this prohibition of certain amendments to preclude virtually any role for consent or discretion, even if exercised uniformly and nondiscriminatorily, in the determination of benefit forms. Many plans have consent or discretion provisions for benign purposes, such as to avoid spelling out all possible choices of benefit form in the plan, to protect the liquidity of the plan assets, to provide flexibility for employees and administrators, and to allow administrators and trustees to exclude benefit forms that would impose undue administrative burdens on the plan or permit adverse selection. Elimination of flexibility could result in either a very narrow choice of benefit forms or a bewildering array that would compound administrative concerns.

In any event, additional time should be provided for existing plans to make any amendments required by final regulations on these matters. The proposed regulations represent a major change in the qualification requirements, and would require significant amendments by many plans. Plan sponsors would be faced with difficult, and effectively permanent decisions, since subsequent elimination of permitted benefit forms would be proscribed and additional optional benefit forms would require plan amendment. The instant amendment requirement is particularly burdensome because it so closely follows the extensive amendments that were needed to comply with the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), the Deficit Reduction Act of 1984 ("DEFRA"), and the Retirement Equity Act of 1984 ("REA"). We suggest that plan amendments not be required until a reasonable time (at least two years) after the adoption of final regulations, or, if later, the deadline for amendments to comply with any tax reform legislation enacted before the final regulations are adopted.

SPECIFIC COMMENTS ON PROPOSED REGULATIONS

The following comments cover substantive, technical and practical problems with specific parts of the proposed regulations.

Nondiscriminatory Benefit Forms:

Prop. Reg. § 1.401(a)-4: Q&A-1

This Q&A contains the regulations' first basic premise, that when a plan offers alternative forms of benefit, including alternative commencement dates for the same form, the availability of each alternative form must not discriminate in favor of the

prohibited group. We acknowledge, with reservations, the Service's ability to consider benefit forms as part of an overall determination of discriminatory benefits in appropriate cases. Our reservations relate to the proposed regulations' focus on benefit forms in isolation and their inconsistency with pertinent authorities.

First, section 401(a)(4) does not require that benefits be identical for all employees. Treas. Reg. § 1.401-4(a)(2)(iii) permits variations in contributions or benefits "so long as the plan, viewed as a whole . . . with all its attendant circumstances, does not discriminate" in favor of the prohibited group. Prior to the promulgation last year of Rev. Rul. 85-59, 1985-1 C.B. 135, the Service's published position was that the availability of alternate benefit forms (or trustee discretion as to the choice thereof) did not result in prohibited discrimination per se. See, e.g., Rev. Rul. 71-296, 1971-2 C.B. 202, and Rev. Rul. 71-540, 1971-2 C.B. 206. To impose a separate nondiscrimination test on benefit forms alone improperly elevates the relevance of this feature in the overall evaluation of the nondiscriminatory status of plans, and ignores the real possibility that legitimate plan purposes may be served by limitations on the availability of certain benefit forms.

Second, the Service has long recognized that the nondiscrimination requirements could be satisfied by maintaining different plans for different groups of employees, so long as the plans were "comparable." See Rev. Rul. 81-202, 1981-2 C.B. 93. The comparability requirement can be satisfied by different types of plans, such as defined contribution and defined benefit plans, and by plans with numerous variations in their features, such as vesting schedules, and even benefit forms. (See Rev. Rul. 81-202, § 5.) The proposed regulations are inconsistent with this well-established approach, since they could often not be satisfied by making different, albeit actuarially equivalent, forms of benefit available to different groups of participants. Indeed, the proposed regulation could be read in effect to mandate identical benefit forms under all plans of an employer or a controlled group which are considered together for qualification purposes.

Third, the Service has generally interpreted section 401(a)(4)'s prohibition of discrimination with respect to "contributions or benefits" as requiring either the contributions or the benefits to be nondiscriminatory. See, e.g., Rev. Rul. 81-202, 1981-2 C.B. 93, § 2.03. Since the availability of alternative benefit forms could discriminate, if at all, with respect to benefits, one must question whether the proposed rule should be applied to plans that satisfy section 401(a)(4) by being nondiscriminatory as to contributions, i.e., most defined contribution plans.

Accordingly, Q&A-1 should be revised simply to provide that the relative availability of alternative forms of benefit may be taken into account in determining, under all the surrounding facts and circumstances, whether a plan is discriminatory with respect to benefits under Treas. Reg. § 1.401-4. Indeed, such a revision could be justified merely on the grounds of avoiding an additional (and we feel unnecessary) layer of administrative complexity.

In any event, if the general approach of the proposed regulations is retained, we suggest that the discrimination tests be modified to permit consideration of mitigating circumstances such as plan liquidity. Testing discrimination purely by relative "availability" of a benefit form eliminates the opportunity to serve significant plan and employee purposes via plan provisions regarding conditions on alternative benefit forms.

Prop. Reg. § 1.401(a)-4: Q&A-2

This provision tests nondiscrimination in benefit forms by (1) the 70 percent test of section 410(b)(1)(A), or (2) the nondiscriminatory classification test of section 410(b)(1)(B), i.e., the "reasonable difference" test of Treas. Reg. § 1.410(b)-1(d)(2). To reiterate, we feel that application of a free-standing nondiscrimination test for benefit forms is unjustified. In any event, the proposed standard has serious flaws.

First, as presently drafted, Q&A-2 would result in a plan being per se discriminatory if it fails both tests, without any exception for mitigating facts and circumstances. Second, unlike section 410(b) from which they are drawn, the specific tests, as used here, apparently do not provide the certainty of a "safe harbor" for qualification, usually a principal reason for providing a mathematical test. Third, while the "reasonable difference" test can itself be problematic because of its vagueness and lack of regulatory explication, the proposed regulation goes on to say that even if a plan in fact satisfies one of the tests at a given point in time, it can be found wanting if there is a "reasonable expectation" that the benefit condition will later result in the benefit not being available to a nondiscriminatory group of employees. This extra layer of subjective judgment, particularly as it involves a new and undefined term, seems unwarranted and difficult to apply.

In a more technical vein, a not uncommon variation on the fact pattern in Example (2) could occur where a division has been acquired by the employer and (unlike the division in the Example) employs a disproportionate number of prohibited group members. As a part of such acquisition, the employer may have been required to continue a benefit form in a pre-acquisition plan that it does not desire to make available to other employees under

its plans. It does not seem appropriate to force the employer to make the benefit form, e.g., a single sum payment, available to all plan participants in this case, and Example (2) should be expanded to indicate that the facts and circumstances evaluation could take such a history into account.

Prop. Reg. § 1.401(a)-4: Q&A-5

This Q&A provides that an existing plan that imposes a condition upon the availability of an alternative form of benefit which discriminates or may be expected to discriminate must be amended prior to the effective date of the proposed regulations either (1) to remove the condition or (2) to eliminate that particular form of benefit. We suggest that as a third alternative (to the extent not inherent in the first), an amendment be permitted to restructure the condition or availability of the alternative form of benefit so that it is no longer discriminatory. In addition, if Prop. Reg. § 1.411(d)-4 (prohibiting consent or discretion requirements for alternative benefit forms) is not adopted, the plan sponsor should be permitted to amend the plan to replace the discriminatory provision with a consent or discretion requirement, to be applied in a nondiscriminatory manner. Even if Prop. Reg. § 1.411(d)-4 is adopted, an amendment should be permitted to replace the discriminatory condition with objective and ascertainable criteria for availability of the benefit form. See Prop. Reg. § 1.411(d)-4, Q&A-5.

Prop. Reg. § 1.401(a)-4: Q&A-6

This Q&A makes the proposed regulation effective January 30, 1986, with respect to plans that are adopted or made effective on or after that date. Delayed effective dates (generally, the first day of the second plan year beginning on or after January 30, 1986) are provided for existing plans with respect to alternative forms of benefits and conditions that were adopted and in effect before January 30, 1986.

The deadlines in the proposed regulations make no allowance for the possibility that the regulations may be modified based on comments received from the public. As a result, if the proposed regulations are modified, any plan amendments made by well-intentioned employers in order to comply with the regulations as initially proposed could not be changed without violating the anti-cutback rules of Code section 411(d)(6), which poses a serious dilemma. (This situation could be ameliorated if the Service were to announce, in the near future, that certain second-round amendments could be made without cutback problems, or that the effective date would be generally delayed as suggested below.)

We believe that more time should be provided for adopting the required amendments. The proposed regulations represent a major departure from the current qualification requirements, and would require difficult decisions and significant amendments by many plans.

Furthermore, these amendments follow on the heels of the changes required as a result of TEFRA, DEFRA, and REA, and pending tax reform legislation may well require another round of major plan amendments in the near future. The continuing series of required amendments has created a serious administrative and financial burden on plan sponsors faced with keeping track of all the necessary changes and amending their plans on a timely basis. To alleviate these problems, it is imperative that the deadlines in the proposed regulations be coordinated with other deadlines for legislative and regulatory compliance in order to avoid unnecessarily frequent and expensive changes in qualified plans.

Therefore, if final regulations are issued in a form that requires plan amendments, we suggest that such amendments not be required until the later of (1) the first day of the second plan year after the date such final regulations are issued, or (2) the deadline for adopting any plan amendments that are required to comply with any tax reform act that is enacted before final regulations are adopted.

A similar deferred effective date should be provided with respect to new plans because, once such plans are adopted without any conditions as to the availability of an alternative form of benefits, they probably cannot later be amended to add conditions.

Nondiscretionary Benefit Forms:

Prop. Reg. § 1.411(d)-4: O&A-2, 3, 4

These rules provide that any plan provision permitting an employer to deny a participant an otherwise available alternative form of benefit by withholding consent or exercising discretion violates the Code section 411(d)(6) prohibition on plan amendments eliminating an optional form of benefit. Q&A-3 states that it does not matter that the discretion is limited to choosing among actuarially equivalent benefit forms. The proposed regulations also state that in the case of a pension plan, a consent or discretion requirement would violate the "definitely determinable benefit" requirement of Code section 401(a), and in the case of a defined benefit plan, a consent or discretion provision would violate Code section 401(a)(25), which requires that the plan specify the actuarial assumptions used to compute the amount of benefits. We do not believe that any of these statutory provisions support the stance of the proposed regulations.

Code section 411(d)(6)(A) provides that a participant's accrued benefit cannot be reduced by means of a plan amendment. Section 411(d)(6)(B)(ii) provides that a plan amendment may not eliminate, with respect to benefits attributable to pre-amendment service, an optional form of benefit, except as may be permitted by regulations. The statutory language is phrased entirely in terms of prohibited "plan amendments." The legislative history of REA, which enacted section 411(d)(6)(B)(ii), also discusses only plan amendments. See S. Rep. No. 575, 98th Cong., 2d Sess. 30-31 (1984). The Senate Report shows that Congress was concerned with formal amendments to a plan which eliminate an optional form of benefit, depriving a participant or beneficiary of a valuable right. It does not in any manner suggest that an employer's reservation in the plan document of the right to withhold consent or exercise discretion, or the exercise of such a right, is to be treated as a plan amendment. Moreover, a participant cannot really be said to have a "right" at all to a benefit form which is available only at the discretion of the plan administrator.²

Code section 401(a)(25) prohibits the use of discretion for one purpose, fixing the actuarial assumptions for the purpose of determining the actuarial equivalence of various benefit forms, in defined benefit plans. The proposed regulations would stretch this provision to proscribe all discretion in the determination of benefit forms.

Finally, the definitely determinable benefit requirement, Treas. Reg. § 1.401-1(b)(1)(i), which has been in the regulations for thirty years, has been applied only to require certainty as to the determination of the amount of benefits, not their form. See e.g., Rev. Rul. 74-385, 1974-2 C.B. 130 (benefit formula), and Rev. Rul. 79-90, 1979-1 C.B. 155. It has never before to our knowledge been suggested that this provision governs the availability of alternative actuarially equivalent benefit forms.

While it is conceivable that in some cases a consent or discretion provision could be abused as a means of effectively eliminating an optional form of benefit without a plan amendment, this mere possibility does not justify the wholesale prohibition of such provisions, especially absent express statutory authority. Many plans have consent or discretion provisions for sensible and important purposes, such as to avoid specifying all possible choices of benefit form in the plan, to provide flexibility for employees and administrators, to protect the liquidity of plan

² See, e.g., Pompano v. Michael Schiavone & Sons, Inc., 680 F.2d 911 (2d Cir. 1982), and Morse v. Stanley, 732 F.2d 1139 (2d Cir. 1984), upholding the exercise of trustee discretion under ERISA to deny particular benefit forms to individual participants.

assets and retain investment flexibility, and to allow administrators to exclude certain forms which would impose excessive administrative burdens on the plan or permit adverse selection. The exercise of discretion to permit early or late retirement serves legitimate employer concerns regarding work force composition. The proposed regulations would prevent the use of a consent or discretion requirement even for these reasonable and appropriate purposes, and are not justified by the grab-bag of statutory provisions cited. In addition, having formal plan amendments as the only way to change benefit forms, even for short periods and salutary reasons, will lead to excessively cumbersome and awkward grandfathering provisions under Code section 411(d)(6).

We also note that this proposed rule overlooks the ordinary delays and fluctuations in the time it typically takes a plan administrator to review and pay a benefit claim. This is particularly true in a defined contribution plan where a benefit commencement date may depend on the timing of the contributions and the account valuation date. Many small plans only value plan accounts once a year. Given the different external factors which may affect a participant's benefit commencement date, plan administrators find it virtually impossible to guarantee or predict the exact day on which benefit payments will begin. Nonetheless, under the proposed regulations, any such variations in the timing of benefit payments to participants could be construed as an impermissible exercise of discretion with respect to an alternative form of benefit. To avoid this harsh result, the proposed regulations, if finalized, should include certain safe harbor time periods to accommodate a plan's administrative process of adjudicating benefit claims and calculating benefit payments in a uniform and nondiscriminatory manner.

A safe harbor time period might, for example, require a benefit payment to be made no later than the end of the plan year following the first date on which a distribution could be made under the plan. For some plans, the first possible date of distribution is the date the participant terminates employment. For other plans, a distribution is not due until a participant incurs either a one-year or five-year break in service. Whichever the case, all plans need some degree of flexibility when it comes to the timing of benefit payments and the regulations should incorporate safe harbor time periods to reflect this need.

Prop. Reg. § 1.411(d)-4 Q&A-5

This Q&A permits a plan to condition the availability of an alternative form of benefit on objective criteria, but cites as an impermissible example a condition based on the level of a plan's funded status because funding "is within the employer's discretion." The minimum funding standards of Code section 412 severely constrain the employer's discretion in determining the

plan funding; moreover, a plan's retirement, mortality and investment experience is hard to manipulate, even though it can be estimated. Therefore, we believe that a funding condition should be permitted. Similarly, determinations based on the liquidity (or illiquidity) of the plan's assets should be allowed, notwithstanding employers' ability to choose between investments, lest reasonable types of higher return but less liquid investments (e.g., long term bonds) be effectively foreclosed.

Prop. Reg. § 1.411(d)-4: Q&A-7

Q&A-7 allows a problematic plan provision to be corrected by either eliminating the consent or discretion requirement or eliminating the alternative benefit form altogether. As in the case of amendments to cure a discriminatory condition (see comments to Q&A-5 of Prop. Reg. § 1.401(a)-4 above), an intermediate step should expressly be permitted, namely, restructuring the consent or discretion provision to incorporate objective criteria.

Prop. Reg. § 1.411(d)-4: Q&A-8

Q&A-8 makes the proposed regulation effective August 1, 1986, with respect to plans that are adopted or made effective on or after that date. Delayed effective dates (generally, the first day of the second plan year beginning on or after January 30, 1986) are provided for existing plans with respect to alternative forms of benefit and consent or discretion requirements that are adopted and in effect before August 1, 1986.

The comments on Prop. Reg. § 1.401(a)-4, Q&A-6, also apply to this Q&A.

The effective dates in Q&A-8 are particularly burdensome to sponsors of Master or Prototype (M&P) plans. Amending an M&P plan is a lengthy process requiring that a sponsor be aware of the existence of the proposed regulation, draft the amendments to the plan documents, and submit an application for and obtain a favorable opinion letter from the Service. If the amendment requires participating employers to amend their adoption agreements, the employers would be required to amend their plans before the effective date of the proposed regulations. In addition, adopters of non-standard plans may have to submit a request to the Service for a favorable determination letter before that date. In the absence of a Revenue Procedure similar to Rev. Proc. 84-23, an M&P plan sponsor must obtain a favorable opinion letter before the effective date of the proposed regulations to preserve its participating employers' ability to eliminate discretionary options. M&P plan sponsors cannot toll the remedial amendment period by filing a request for an opinion letter. As a result, M&P plan sponsors will have to begin amending their plans immediately to conform

them to the requirements in the proposed regulations. Some of these M&P sponsors have just had their most recent revisions approved by the Service after a lengthy process to conform to TEFRA, DEFRA and REA and are now in the process of distributing those documents.

The effective dates will place an enormous burden on most M&P plan sponsors and participating employers, as well as on the Service which is still completing its review of M&P plans submitted under Rev. Proc. 84-23. For these reasons, the effective dates of the proposed regulations should be extended for at least an extra year for M&P plans.

* * *

We appreciate the opportunity to submit these comments, and will be glad to expand further upon any of the points discussed herein at your request.

Respectfully submitted,

Patricia G. Lewis
Chairman, Employee Benefits
Committee

Frederick J. Benjamin, Jr.
Dan S. Brandenburg
Edmund T. Donovan
Richard M. Lent
Richard P. McHugh

Contributing Committee Members