



# TaxNewsFlash

United States



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## Rev. Proc. 2019-20: Expansion of retirement plan determination letter program

The IRS today released an advance version of Rev. Proc. 2019-20 concerning the expansion of areas for issuing determination letters for certain retirement plans.

[Rev. Proc. 2019-20](#) [PDF 97 KB] sets out the details of the two additional areas for which retirement plan sponsors may now request determination letters.

- **Statutory hybrid plans.** Plan sponsors may submit determination letter applications for statutory hybrid plans for the 12-month period beginning September 1, 2019, and ending August 31, 2020.
- **Plan mergers.** Plan sponsors may submit determination letter applications for certain merged plans on an ongoing basis.

As noted in a related IRS release—[IR 2019-84](#)—plan sponsors will continue to be able to submit a determination letter application for initial plan qualification and for qualification upon plan termination.

### Background

The IRS in April 2018 released Notice 2018-24 concerning possible expansion of the scope of the determination letter program for individually designed plans during the 2019 calendar year (i.e., beyond the determination letters provided for initial qualification and qualification upon plan termination). The notice requested comments on the potential expansion of the scope of the determination letter program for individually designed plans during the 2019 calendar year. Read [TaxNewsFlash](#)

### Rev. Proc. 2019-20

In response to the comments, the IRS and Treasury Department determined that the determination letter program will be expanded. Specifically, Rev. Proc. 2019-20 provides for:

- Expansion of determination letter program for statutory **hybrid plans**: Determination letter applications for individually designed statutory hybrid plans during the 12-month period beginning September 1, 2019, and ending August 31, 2020
- Expansion of determination letter program for **merged plans**: Determination letter applications for certain individually designed merged plans on an ongoing basis

Rev. Proc. 2019-20 defines applicable terms under the merged plan guidance. It also provides for a limited extension of the remedial amendment period and special sanction structures applicable to plans submitted for a determination letter pursuant to this revenue procedure.

Rev. Proc. 2019-20 is effective September 1, 2019.

The revenue procedure indicates that the IRS and Treasury will continue to consider comments received in response to Notice 2018-24 and any other comments received regarding additional situations in which the submission of a determination letter application may be appropriate; and will continue to request, on a periodic basis, comments on additional situations in which the submission of a determination letter application may be appropriate.

### **Employee plans compliance resolution**

Today's IRS release—[IR 2019-84](#)—also describes the expanded self-correction program for retirement plans to enable plan sponsors to fix certain plan document and operational failures (including plan loan issues) without having to file a voluntary correction program submission with the IRS.

As previously reported, the IRS provides three correction programs for employee plans:

- Self-correction program (SCP)—permits plan sponsors to correct certain plan failures without contacting the IRS or paying a user fee
- Voluntary correction program (VCP)—allows plan sponsors to correct failures not eligible for self-correction or to obtain the IRS's written agreement that specified failures were properly corrected
- Audit closing agreement program—enables plan sponsors to resolve failures discovered during an IRS audit

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