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Announcement 2020-7: Third six-year cycle pre-approved defined contribution plans

The IRS today released an advance version of Announcement 2020-7 concerning the third six-year cycle for pre-approved defined contribution plans.

[Announcement 2020-7](#) [PDF 40 KB] states that:

- The IRS plans to issue opinion letters with regard to the third six-year remedial amendment cycle for pre-approved defined contribution plans by June 30, 2020 (or soon thereafter).
- The IRS will accept from an employer eligible to submit a determination letter request an application for an individual determination letter under the third six-year remedial amendment cycle for pre-approved defined contribution plans from August 1, 2020 to July 31, 2022
- An employer adopting a newly approved plan will be required to adopt the plan document by July 31, 2022.

Today's announcement follows the process established by Rev. Proc. 2017-41 (i.e., providers of pre-approved plans may obtain opinion letters, once every six years, for qualified pre-approved plans submitted with respect to the third (and subsequent) six-year remedial amendment cycles under a restructuring of the master and prototype and volume submitter pre-approval programs into a single program).

Today's announcement explains that the end of the third six-year remedial amendment cycle for pre-approved defined contribution plans is January 31, 2023. An adopting employer whose defined contribution plan is eligible for the six-year remedial amendment cycle and who adopts, by July 31, 2022, a newly approved plan, will be considered to have adopted the plan within the third six-year remedial amendment.

An adopting employer of a pre-approved defined contribution plan may apply for an individual determination letter (if otherwise eligible) during the period beginning August 1, 2020, and ending July 31, 2022.

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