

## **2007 Cumulative List of Changes in Plan Qualification Requirements**

Notice 2007-94

### **I. PURPOSE**

This notice contains the 2007 Cumulative List of Changes in Plan Qualification Requirements (2007 Cumulative List) described in section 4 of Rev. Proc. 2007-44, 2007-28 I.R.B. 54. The 2007 Cumulative List is to be used primarily by plan sponsors of individually designed plans that are in Cycle C. An individually designed plan is in Cycle C if it is a single employer plan where the last digit of the employer identification number of the plan sponsor is 3 or 8, or it is a § 414(d) governmental plan (including a governmental multiemployer plan or governmental multiple employer plan).

The list of changes in section V of this notice does not extend the deadline by which a plan must be amended to comply with any statutory, regulatory, or guidance changes. The general deadline for timely adoption of an interim or discretionary amendment can be found in section 5.05 of Rev. Proc. 2007-44.

### **II. BACKGROUND**

Rev. Proc. 2007-44 sets forth procedures for issuing opinion, advisory, and determination letters and describes the five-year remedial amendment cycle for individually designed plans and the six-year remedial amendment cycle for pre-approved plans. In addition, section 5.05 of Rev. Proc. 2007-44 provides the deadline for timely adoption of an interim amendment or discretionary amendment

Under section 4 of Rev. Proc. 2007-44, the Internal Revenue Service intends to annually publish a Cumulative List to identify statutory, regulatory and guidance changes that must be taken into account in submissions by plan sponsors to the Service for opinion, advisory and determination letters whose remedial amendment period begins on February 1st following issuance of the Cumulative List.

In Notice 2007-3, 2007-2 I.R.B. 255, the Service published the 2006 Cumulative List of Changes in Plan Qualification Requirements (2006 Cumulative List). In Notice 2005-101, 2005-2 C.B. 1219, the Service published the 2005 Cumulative List of Changes in Plan Qualification Requirements (2005 Cumulative List). In

Notice 2004-84, 2004-2 C.B. 1030, the Service published the 2004 Cumulative List of Changes in Plan Qualification Requirements (2004 Cumulative List).

### III. APPLICATION OF 2007 CUMULATIVE LIST

This notice is being issued for purposes of the determination letter program for plans submitted for determination letters during the Cycle C submission period. In Rev. Proc. 2005-66, the Service announced the opening of the initial five-year remedial amendment cycle. In accordance with Rev. Proc. 2007-44, the Service will start accepting determination letter applications for Cycle C plans beginning on February 1, 2008. The 12-month submission period for Cycle C plans will end January 31, 2009.

The 2007 Cumulative List, set forth in section V of this notice, informs plan sponsors of issues the Service has specifically identified for review in determining whether a plan filing in Cycle C has been properly updated. Specifically, the 2007 Cumulative List reflects law changes under the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), Pub. L. 107-16 (with technical corrections made by the Job Creation and Worker Assistance Act of 2002 (JCWAA), Pub. L. 104-147, the Pension Funding Equity Act of 2004 (PFEA), Pub. L. 108-218, the American Jobs Creation Act of 2004 (AJCA), Pub. L. 108-357, the Gulf Opportunity Zone Act of 2005 (GOZA), Pub. L. 109-135, and the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, Pub. L. 110-28.

The Service will not consider in its review of any determination letter application, for the submission period that begins February 1, 2008, any:

- (1) guidance published after October 1, 2007;
- (2) statutes enacted after October 1, 2007;
- (3) qualification requirements first effective in 2009 or later; or
- (4) statutory provisions that are first effective in 2008, for which there is no guidance identified in this notice.

The 2007 Cumulative List does not include any items described in (1) through (4) above. However, in order to be qualified, a plan must comply with all relevant qualification requirements, not just those on the 2007 Cumulative List.

Terminating plans must include all law changes in effect at the time of termination. See section 8 of Rev. Proc. 2007-44 regarding plan termination.

### IV. SPECIAL RULES FOR THE PENSION PROTECTION ACT OF 2006

Under section 1107 of the Pension Protection Act of 2006 (PPA '06), Pub. L. 109-280, a plan amendment made pursuant to any amendment made by PPA '06 generally may be retroactively effective, if, in addition to meeting the other applicable requirements, the amendment is made on or before the last day of the first plan year beginning on or after January 1, 2009 (January 1, 2011 in the case of a governmental plan). Section VI of this notice includes certain PPA '06 law changes effective in 2008 or earlier.

Plans submitting in Cycle C can be amended, at the option of plan sponsors, to include the applicable PPA '06 provisions listed in section VI of this notice. Cycle C plans must identify which PPA '06 provisions the plan has been amended to include and the plan provision that reflects the PPA '06 provision when submitting the determination letter application. However, the Service will not consider PPA '06 in issuing determination letters for Cycle C plans, and such letters cannot be relied on with respect to any plan provision identified as reflecting PPA '06, regardless of whether the plan has been amended to reflect PPA '06 provisions.

Terminating plans must include the applicable PPA '06 provisions that are in effect at the time of termination.

#### V. 2007 CUMULATIVE LIST OF CHANGES IN PLAN QUALIFICATION REQUIREMENTS

The following list consists of statutory provisions and associated guidance which reflect changes to plan qualification requirements. Miscellaneous guidance is also provided. The Service has identified below plan qualification requirements which were not on the 2006 Cumulative List as "(New)". Thus, the 2007 Cumulative List contains those plan qualification requirements listed in the 2004, 2005, and 2006 Cumulative Lists as well as additional 2007 plan qualification requirements.

1. 72(p): Section 1.72(p)-1 of the Income Tax Regulations relating to plan loans was published on December 3, 2002 (67 Fed. Reg. 71821). (2004 C. L.).
2. 401(a): Final Regulations under § 401(a) of the Code regarding permissible normal retirement ages were published May 22, 2007 (72 Fed. Reg. 28604). (2006 C. L.).
  - Notice 2007-69, 2007-35 I.R.B. 468, provides temporary relief, until the first day of the first plan year that begins after June 30, 2008, for certain pension plans under which the definition of normal retirement age may be required to be changed to comply with the regulations. Accordingly, the final regulations will not be taken into account in the Service's review of plans submitted for determination letters during the Cycle C submission period unless the plan, by its terms, is

ineligible for the relief under Notice 2007-69 or the relief ends for the plan before December 31, 2008. (New).

3. 401(a)(4):
  - Amendments to § 1.401(a)(4)-8 of the Regulations relating to new comparability plans were published on June 29, 2001 (66 Fed. Reg. 34535). (2004 C. L.).
    - Rev. Rul. 2001-30, 2001-2 C.B. 46. (2004 C. L.).
  - Amendments to § 1.401(a)(4)-9 of the Regulations relating to new comparability plans were published on June 29, 2001 (66 Fed. Reg. 34535). (2005 C. L.).
  - Rev. Rul. 2004-21, 2004-1 C.B. 544. (2005 C. L.).
4. 401(a)(9):
  - Sections 1.401(a)(9)-1 through –9 of the Regulations were published on April 17, 2002 and June 15, 2004 (67 Fed. Reg. 18988 and 69 Fed. Reg. 33288). (2004 C. L.).
5. 401(a)(17): Section 401(a)(17) of the Code was amended by § 611(c) of EGTRRA to increase the compensation limit to \$200,000. (2004 C. L.).
  - Notice 2001-56, 2001-2 C.B. 277. (2004 C. L.).
6. 401(a)(31):
  - Section 401(a)(31) was amended by § 643(b) of EGTRRA to allow employees' after-tax contributions to be rolled over under certain circumstances. (2004 C. L.).
  - Section 401(a)(31)(B) was amended by § 657(a) of EGTRRA (as amended by § 411(t) of JCWAA) to provide for the automatic rollover of certain mandatory distributions. The effective date is March 28, 2005. (2004 C. L.).
    - Notice 2005-5, 2005-1 C.B. 337. (2004 C. L.).
  - Sections 641, 642 and 643 of EGTRRA (as amended by § 411(q) of JCWAA) amended the definition of eligible retirement plan in § 402 of the Code to include a § 403(b) annuity contract and eligible governmental § 457(b) plan. (2004 C. L.).
  - Section 636(b) of EGTRRA modified the definition of eligible rollover distribution to exclude hardship distributions. (2004 C. L.).
7. 401(k) & 401(m):
  - Section 401(k)(2) and § 401(k)(10) of the Code were amended by § 646(a)(1) of EGTRRA to permit distributions of elective deferrals from a § 401(k) plan upon severance from employment. (2004 C. L.).
    - Notice 2002-4, 2002-1 C.B. 298. (2004 C. L.).
  - Section 636(a) of EGTRRA directed the Secretary of the Treasury to revise the regulations relating to safe harbor hardship distributions of

elective deferrals from § 401(k) plans so that the time the employee is prohibited from making elective and employee contributions is reduced from one year to six months after a hardship distribution. (2004 C. L.).

- Notice 2001-56. (2004 C. L.).
  - Notice 2002-4. (2004 C. L.).
- Section 401(k)(11) of the Code was amended by § 611(f) of EGTRRA to increase the maximum amount of qualified salary reduction contributions that can be made to SIMPLE 401(k) plans. (2004 C. L.).
  - Section 402(g) of the Code was amended by § 611(d) of EGTRRA to increase the applicable dollar amount. (2004 C. L.).
  - Section 401(m)(9) of the Code was amended by § 666 of EGTRRA to eliminate the multiple use test. (2004 C. L.).
  - Final Regulations under § 401(k) and § 401(m) of the Code were published on December 29, 2004 (69 Fed. Reg. 78144). (2004 C. L.).
  - Announcement 2007-59, 2007-25 I.R.B. 1448, provides that a plan will not fail to satisfy the requirements of a § 401(k) safe harbor plan because of a mid-year change to implement a designated Roth contribution program. (New).
8. 402A: Section 402A of the Code was added by § 617 of EGTRRA to offer optional treatment of elective deferrals as designated Roth contributions to defined contribution plans, effective for taxable years beginning after December 31, 2005. (2004 C. L.).
- Final Regulations under § 401(k) and § 401(m) of the Code relating to designated Roth contributions were published on January 3, 2006 (71 Fed. Reg. 6). (2005 C. L.).
    - Notice 2006-44, 2006-20 I.R.B. 889, provides a sample amendment for Roth § 401(k) plans. (2006 C. L.).
  - Final Regulations under § 402A of the Code were published on April 30, 2007 (72 Fed. Reg. 21103).<sup>1</sup> (2006 C. L.).
9. 404:
- Section 404(k)(2)(A) of the Code was amended by § 662(a) of EGTRRA (as amended by § 411(w) of JCWAA) to allow ESOP dividends to be reinvested without the loss of dividend deductions. (2005 C. L.).
    - Notice 2002-2, 2002-1 C.B. 285, provides guidance with respect to the changes made to § 404(k) of the Code and on the effective date of § 409(p) of the Code. (2005 C. L.).

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<sup>1</sup> Proposed Regulations under § 402A were published on January 26, 2006 (71 Fed. Reg. 4320). (2005 C. L.).

10. 408(q): Section 408(q) of the Code was added by § 602 of EGTRRA (as amended by § 411(i) of JCWAA) to allow for deemed individual retirement accounts (IRAs) in an eligible retirement plan. (2004 C. L.).
  - Section 1.408(q)-1 of the Regulations was published on July 22, 2004 (69 Fed. Reg. 43735). (2004 C. L.).
  
11. 409: Section 409(p) of the Code was added § 656 of EGTRRA relating to restrictions on the allocation of employer securities in an ESOP maintained by an S corporation. (2005 C. L.).
  - Section 1.409(p)-1T of the Regulations was published on July 21, 2003 (68 Fed. Reg. 42970). (2005 C. L.).
  - Section 1.409(p)-1T of the Regulations was published on December 17, 2004 (69 Fed. Reg. 75455). (2005 C. L.).
  - Rev. Proc. 2003-23, 2003-1 C.B. 599, as modified and superseded by Rev. Proc. 2004-14, 2004-1 C.B. 489, allows a direct rollover from an ESOP maintained by an S corporation to an individual retirement plan (IRA). (2005 C. L.).
  - Rev. Rul. 2003-6, 2003-1 C.B. 286, provides guidance with respect to whether an ESOP maintained by an S corporation is eligible for the delayed effective date of § 409(p) under § 656(d)(2) of EGTRRA. (2005 C. L.).
  - Rev. Rul. 2004-4, 2004-1 C.B. 414, provides guidance relating to synthetic equity owned by a disqualified person in a nonallocation year of an ESOP maintained by an S corporation. (2005 C. L.).
  - Final Regulations were published on December 20, 2006 (71 Fed. Reg. 76134) that provide guidance concerning requirements under § 409(p) for ESOPs holding stock of S corporations. (2006 C. L.).
  
12. 410(b): Final Regulations were published on July 21, 2006 (71 Fed. Reg. 41357) permitting some employees of tax-exempt organizations to be excluded when determining whether a § 401(k) plan meets the § 410(b) minimum coverage requirements. (2006 C. L.).
  
13. 411(a):
  - Section 411(a) of the Code was amended by § 633 of EGTRRA (as amended by § 411(o) of JCWAA) to provide for faster vesting of matching contributions. (2004 C. L.).
  - Rev. Rul. 2003-65, 2003-1 C.B. 1035. (2005 C. L.).
  - Amendments to § 1.411(d)-3 of the Final Regulations were published on August 9, 2006 (71 Fed. Reg. 45379) with respect to the interaction between the anti-cutback rules of § 411(d)(6) and the nonforfeitability requirements of § 411(a). (2006 C. L.).
  
14. 411(a)(11): Section 411(a)(11)(D) of the Code was added by § 648(a) of EGTRRA (as amended by § 411(r) of JCWAA) to allow amounts

attributable to rollover contributions to be disregarded in determining the value of an account balance for involuntary distributions. (2004 C. L.).

15. 411(d)(3):

- Rev. Rul. 2007-43, 2007-28 I.R.B. 45, provides guidance regarding the partial termination of a defined contribution plan. (New).

16. 411(d)(6):

- *Central Laborers' Pension Fund v. Heinz*, 124 S.Ct. 2230 (2004). (2005 C. L.).
  - Rev. Proc. 2005-23, 2005-1 C.B. 991, as modified by Rev. Proc. 2005-76, 2005-2 C.B. 1139. (2005 C. L.).
  - Amendments to § 1.411(d)-3 of the Final Regulations were published on August 9, 2006 (71 Fed. Reg. 45379) with respect to the interaction between the anti-cutback rules of § 411(d)(6) and the nonforfeitability requirements of § 411(a). (2006 C. L.).
- Section 645(b)(3) of EGTRRA directed the Secretary of the Treasury to issue regulations under § 411(d)(6)(B). (2005 C. L.).
  - Section 1.411(d)-3 of the Regulations was published on August 12, 2005 (70 Fed. Reg. 47109). (2005 C. L.).
  - Amendments to § 1.411(d)-3 of the Final Regulations were published on August 9, 2006 (71 Fed. Reg. 45379) with respect to a utilization test. (2006 C. L.).
- Section 411(d)(6)(D) and § 411(d)(6)(E) of the Code were added by § 645 of EGTRRA to permit the elimination of certain optional forms of benefit under certain conditions. (2005 C. L.).
  - Section 1.411(d)-4, Q&A-2(e) of the Regulations was published on January 25, 2005 (70 Fed. Reg. 3475) to implement § 411(d)(6)(E). (2005 C. L.).

17. 412:

- Rev. Rul. 2004-20, 2004-1 C.B. 546, provides guidance with respect to whether a qualified pension plan can be a § 412(i) plan if the plan holds life insurance contracts and annuity contracts for benefits at normal retirement age in excess of a participant's benefits at normal retirement age under the plan. (2005 C. L.).
- Notice 2004-59, 2004-2 C.B. 447, provides guidance with respect to restrictions placed on plan amendments following an employer's election of an alternative deficit reduction contribution. (2005 C. L.).

18. 414(v): Section 414(v) of the Code was added by § 631 of EGTRRA (as amended by § 411(o) of JCWAA) to allow for catch-up contributions for individuals age 50 or older. (2004 C. L.).

- Regulations under § 414(v) were published on July 8, 2003 (68 Fed. Reg. 40510). (2004 C. L.).

- Notice 2002-4. (2004 C. L.).

19. 415:

- Section 415(b) of the Code was amended by § 611 of EGTRRA to increase the dollar limit and change the age when the limit is reduced or increased. (2005 C. L.).
  - Rev. Rul. 2001-51, 2001-2 C.B. 427. (2004 C. L.).
- Section 415(b)(2)(E)(ii) of the Code was amended by § 101(b)(4) of PFEA to fix the percentage at 5.5%. (2005 C. L.).
  - Notice 2004-78, 2004-2 C.B. 879, provides the actuarial assumptions that must be used for distributions with annuity starting dates occurring during the plans years beginning in 2004 and 2005. (2005 C. L.).
- Section 415(c) of the Code was amended by §§ 611(b) and 632 of EGTRRA (as amended by § 411(p) of JCWAA) to increase the maximum annual additions permitted to the lesser of \$40,000 or 100% of compensation. (2004 C. L.).
  - Rev. Rul. 2001-51, 2001-2 C.B. 427. (2004 C. L.).
  - Rev. Rul. 2002-27, 2002-1 C.B. 925, provided that “compensation” within the meaning of § 415(c) could in certain situations include “deemed § 125 compensation”. (2004 C. L.).
- Final Regulations under § 415 with respect to pre-PPA '06 law were published April 5, 2007 (72 Fed. Reg. 16878).<sup>2</sup> (2006 C. L.).
  - See section VI of this notice for PPA '06 provisions related to § 415 that are reflected in the § 415 Final Regulations. (2006 C. L.).

20. 416: Section 416 of the Code was amended by § 613 of EGTRRA (as amended by § 411(k) of JCWAA) to make several changes to the top-heavy rules. (2004 C. L.).

- Section 416(g)(4)(H) of the Code was added by § 613(d) of EGTRRA to provide certain safe harbor § 401(k) plans and § 401(m) plans an exemption from the top-heavy rules. (2004 C. L.).
  - Rev. Rul. 2004-13, 2004-1 C.B. 485. (2004 C. L.).
- Section 416(c)(1)(C) of the Code was amended by § 613(e) of EGTRRA (as amended by § 411(k)(1) of JCWAA) to provide when a frozen defined benefit plan is exempt from the minimum benefit requirements. (2005 C. L.).

21. 417:

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<sup>2</sup> Section 1.415(c)-2(e) of the Proposed Regulations under § 415 was published on May 31, 2005 (70 Fed. Reg. 31214). (2004 C. L.).



- Section 1.417(e)-1 of the Regulations was published on July 16, 2003 (68 Fed. Reg. 41906) relating to retroactive annuity starting date. (2005 C. L.).
  - Final Regulations under § 417(a)(3) were published on March 24, 2006 (71 Fed. Reg. 14798) regarding the disclosure of the relative value of optional forms of benefit. (2006 C. L.).
22. 420(c)(3)(A): Section 6613 of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, amends § 420(c)(3)(A) regarding minimum cost requirements for transfers of excess pension assets to retiree health accounts. (New).
23. 4975:
- Section 4975 of the Code was amended by § 612 of EGTRRA to allow plan loans for Subchapter S shareholder-employees. (2004 C. L.).
  - Section 4975(f) of the Code was amended by § 240 of AJCA to allow an S corporation distribution on allocated shares to pay off an exempt loan as long as equal amounts are allocated to participant accounts. (2005 C. L.).
24. Hurricane Relief:
- Katrina Emergency Tax Relief Act of 2005, Pub. L. 109-73. (2005 C. L.).
    - Notice 2005-92, 2005-2 C.B. 1165. (2005 C. L.).
  - Announcement 2005-70, 2005-2 C.B. 682. (2005 C. L.).
  - Gulf Opportunity Zone Act of 2005, Pub. L. 109-135, added § 1400M and § 1400Q to the Code to provide certain tax benefits to those areas affected by Hurricanes Katrina, Wilma, and Rita. (2006 C. L.).
25. Miscellaneous:
- Rev. Rul. 2001-62, 2001-2 C.B. 632, provides guidance with respect to the mortality table under § 415(b)(2)(E)(v) of the Code and the applicable mortality table under § 417(e)(3)(A)(ii)(I) of the Code. (2005 C. L.).
  - Rev. Rul. 2002-42, 2002-1 C.B. 76, provides guidance with respect to a situation where a money purchase pension plan is merged or converted into a profit sharing plan. (2004 C. L.).
  - Rev. Proc. 2002-21, 2002-1 C.B. 911, provides guidance with respect to defined contribution retirement plans maintained by professional employer organizations. (2004 C. L.).
  - Rev. Proc. 2003-86, 2003-2 C.B. 1211, amplifies Rev. Proc. 2002-21 relating to relief provided for certain defined contribution plans maintained by professional employer organizations. (2004 C. L.).
  - Rev. Rul. 2003-11, 2003-1 C.B. 285, provides guidance with respect to satisfying the nondiscrimination rules under § 401(a)(4) of the

Code and the minimum coverage requirements under § 410(b) of the Code when applying the increased compensation limit to former employees. (2005 C. L.).

- Rev. Rul. 2004-10, 2004-1 C.B. 484, provides guidance with respect to charging administrative expenses to former and current employees. (2004 C. L.).
- Rev. Rul. 2004-12, 2004-1 C.B. 478, provides guidance with respect to the distribution restrictions applicable to rollover contributions. (2004 C. L.).
- Rev. Rul. 2005-55, 2005-2 C.B. 284, provides guidance with respect to medical reimbursement accounts under a profit sharing plan. (2005 C. L.).
- Section 1.401(a)-21 of the Final Regulations were published on October 20, 2006 (71 Fed. Reg. 61877) setting forth standards for the use of an electronic medium to applicable notices to recipients or to make participant elections. (2006 C. L.).

The following guidance contains sample or model amendments: Notice 2001-57, 2001-1 C.B. 279 (miscellaneous EGTRRA amendments); Rev. Rul. 2001-62, 2001-2 C.B. 632 (applicable mortality table); Rev. Proc. 2002-29, 2002-2 C.B. 1176 (required minimum distribution amendments); Rev. Proc. 2003-13, 2003-1 C.B. 317 (required language for deemed IRAs); Notice 2005-5 (automatic rollover); and Notice 2006-44, 2006-20 I.R.B. 889 (Roth section 401(k) plans).

## VI. PENSION PROTECTION ACT OF 2006 PROVISIONS

As provided in section IV of this notice, plans submitting in Cycle C may be amended for PPA '06, but the Service will not consider PPA '06 in issuing determination letters. The following list includes PPA '06 provisions effective in 2008 or earlier and guidance relating to those PPA '06 provisions (other than proposed guidance and guidance issued after October 1, 2007):

1. 401(a)(35): PPA '06 § 901(a)(1) added § 401(a)(35) requiring that defined contribution plans provide employees with the freedom to divest publicly traded securities. (2006 C. L.).
  - Notice 2006-107, 2006-51 I.R.B. 1114. (2006 C. L.).
2. 401(a)(36): PPA '06 § 905(b) added § 401(a)(36) regarding distributions to a participant who has attained age 62 and who has not separated from employment at the time of the distribution. (New).
3. 401(k): PPA '06 § 826 modified the rules relating to distributions from a § 401(k) plan on account of a participant's hardship to permit the plan to treat a participant's beneficiary under the plan the same as the participant's spouse or dependent. (2006 C. L.).

- Notice 2007-7, 2007-5 I.R.B. 395, provides guidance regarding PPA '06 § 826. (2006 C. L.).
  - Announcement 2007-59, 2007 I.R.B. 1448, provides that a plan will not fail to satisfy the requirements of a § 401(k) safe harbor plan because of a mid-year change to implement the PPA '06 § 826 hardship withdrawals. (New).
4. 401(k)(2)(B)(i)(V): PPA '06 § 827 permits reservists called to active duty after September 11, 2001 and before 2008 to take in-service distributions from a § 401(k) plan. (2006 C. L.).
  5. 401(k)(8)(A)(i): PPA '06 § 902(e)(3) eliminates the gap period income rule for excess contributions. (New).
  6. 401(k)(13): PPA '06 § 902 added § 401(k)(13) with respect to automatic contribution arrangements. (New).
  7. 401(m)(6)(A): PPA '06 § 902(e)(3) eliminates the gap period income rule for excess aggregate contributions. (New).
  8. 401(m)(12): PPA '06 § 902 added § 401(m)(12) with respect to automatic contribution arrangements. (New).
  9. 402(c)(2)(A): PPA '06 § 822(a) amended § 402(c)(2)(A) to permit nontaxable distributions from a qualified plan to be directly rolled over tax-free to either another qualified plan or a § 403(b) plan if the separate accounting requirements are met. (2006 C. L.).
  10. 402(c)(11): PPA '06 § 829(a)(1) added § 402(c)(11) to allow nonspouse beneficiaries to directly roll over distributions from a qualified plan to an individual retirement plan. (2006 C. L.).
    - Notice 2007-7, 2007-5 I.R.B. 395, provides guidance regarding § 402(c)(11). (2006 C. L.).
  11. 402(f): PPA '06 § 1102(a) provides that notice required to be provided under § 402(f) may be provided as much as 180 days before the annuity starting date. (2006 C.L.).
    - Notice 2007-7, 2007-5 I.R.B. 395, provides guidance regarding PPA '06 § 1102. (2006 C. L.).
  12. 408A(e): PPA § 824 added § 408A(e) which permits rollovers to Roth IRAs from qualified plans, § 403(b) plans, and § 457 plans. (New).
  13. 411: PPA '06 § 701 provides rules for cash balance plans and other hybrid defined benefit plans. (2006 C. L.).

- Notice 2007-6, 2007-3 I.R.B. 272, provides guidance regarding cash balance plans and other hybrid defined benefit plans. (2006 C. L.).
14. 411(a): Section 411(a) of the Code was amended by § 904 of PPA '06 to provide for faster vesting of employer nonelective contributions. (2006 C. L.).
    - Notice 2007-7, 2007-5 I.R.B. 395, provides guidance regarding § 411(a), as amended by § 904 of PPA '06. (2006 C. L.).
  15. 411(a)(11): PPA '06 § 1102(a) provides that notice required to be provided under § 411(a)(11) may be provided as much as 180 days before the annuity starting date. Section 1102(b) of PPA '06 provides that the notice under § 411(a)(11) also include a description of the consequences of failing to defer receipt of a distribution. (2006 C. L.).
    - Notice 2007-7, 2007-5 I.R.B. 395, provides guidance regarding PPA '06 § 1102. (2006 C. L.).
  16. 414(d): PPA '06 § 906(a)(1) added language to the definition of government plan in § 414(d) with respect to Indian tribal governments. (New).
    - Notice 2006-89, 2006-43 I.R.B. 772, provides transition relief for plans subject to PPA § 906. (New).
    - Notice 2007-67, 2007-35 I.R.B. 467, extends the transition relief provided in Notice 2006-89. (New).
  17. 414(f)(6): PPA '06 § 1106(b) added § 414(f)(6) with respect to a multiemployer status election. Section 6611(a)(2) and (b)(2) of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 amends § 414(f)(6). (New).
  18. 414(w): PPA '06 § 902(d)(1) added § 414(w) with respect to automatic contribution arrangements. (New).
  19. 415(b)(2)(E)(ii): Section 415(b)(2)(E)(ii) of the Code was amended by § 303 of PPA '06 regarding the interest rate assumption for applying benefit limitations to lump sum distributions. (2006 C. L.).
    - Final Regulations under § 415 were published April 5, 2007 (72 Fed. Reg. 16878), which provide guidance regarding § 415(b)(2)(E)(ii), as amended by PPA '06. (2006 C. L.).
  20. 415(b)(11): PPA '06 § 867(a) removed the 100% of compensation limitation for a church plan participant if the participant has never been a highly compensated employee of the church. (2006 C. L.).
    - Final Regulations under § 415 were published April 5, 2007 (72 Fed. Reg. 16878), which provide guidance regarding § 415(b)(11), as added by PPA '06. (2006 C. L.).

21. 415(n): PPA '06 § 821 retroactively clarified the rules in § 415(n) relating to the purchase of permissive service credit under defined benefit governmental plans. (New).
22. 417: PPA '06 § 1102(a) provides that notice required to be provided under § 417 may be provided as much as 180 days before the annuity starting date. (2006 C.L.).
  - Notice 2007-7, 2007-5 I.R.B. 395, provides guidance regarding PPA '06 § 1102. (2006 C. L.).
23. 417(e)(3): PPA '06 § 302(b) amended the applicable interest rate and mortality table to be used for determining the present value of lump sum distributions. (New).
24. 417(g): PPA '06 § 1004(a)(2) added § 417(g), the qualified optional survivor annuity benefit. (New).
25. 420(e)(2): PPA '06 § 114(d)(1) modified the definition of the term "excess pension assets." Section 6612(b) of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 amends § 420(e)(2)(B). (New).
26. 432(c): PPA '06 § 212(a) added § 432(c) which requires that a funding improvement plan be adopted for multiemployer plans in endangered status. (New).
27. 432(e): PPA '06 § 212(a) added § 432(e) which requires that a rehabilitation plan be adopted for multiemployer plans in critical status. (New).
28. 436: PPA '06 § 113(a)(1)(B) added § 436 with respect to funding-based limits on benefits and benefit accruals under defined benefit single employer plans. (New).

#### Drafting Information

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