

IRS Issues 403(b) Plan Termination and Correction Guidance

In Revenue Ruling 2011-7, the IRS addresses the plan termination rules of Treasury Regulation 1.403(b)-10(a) and the tax consequences of subsequent distributions.

In a separate announcement to its Retirement Plans Community, the IRS summarizes the correction method for employers who have lost their tax-exempt status and, as a result, are no longer eligible to sponsor a 403(b) plan.

Readers may access the 403(b) plan guidance through the following links.

IRS guidance on 403(b) plan termination

<http://www.irs.gov/pub/irs-drop/rr-11-07.pdf>

IRS guidance on correction method for employers no longer eligible to sponsor a 403(b) plan

<http://www.irs.gov/retirement/article/0,,id=235818,00.html>

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