



## IRS SETS THIRD REMEDIAL AMENDMENT CYCLE FOR PREAPPROVED DB PLANS

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[Rev. Proc. 2020-10](#), issued Dec. 16, announces the third remedial amendment cycle for preapproved defined benefit (DB) plans and the submission period for preapproved plan providers to seek IRS approval of their documents. The DB cycle dates don't apply to preapproved qualified defined contribution and 403(b) plans, which have their own remedial amendment cycles.

### REMEDIAL AMENDMENT CYCLES FOR PREAPPROVED DB PLANS

**Preapproved plan process.** Preapproved plans are subject to six-year remedial amendment cycles. Providers of preapproved plans typically submit their documents to IRS for approval early in each cycle. Once IRS approves the documents, providers can make their plans available for employers to adopt during a window (usually about two years) announced by IRS. Timely adoption of a newly approved document allows the employer to rely on the provider's opinion letter for that cycle as if the opinion letter were the sponsor's own determination letter (DL). Employers lose reliance on the opinion letter if they modify the preapproved document, but may be able to submit the modified document for a DL.

**Third DB cycle starts May 1, 2020.** The third remedial amendment cycle for preapproved DB plan begins May 1, 2020, immediately after the April 30 close of the second cycle. Although cycles usually last about six years, the third cycle will end on Jan. 31, 2025. This end date is the same as originally announced in Rev. Proc. 2016-37, so IRS presumably is getting the program back on track after [extending the second cycle](#) for 15 months in 2018.

**Submission period for third cycle starts Aug. 1, 2020.** Preapproved plan providers will have from Aug. 1, 2020, through July 31, 2021, to submit their plan documents to IRS for approval for the third remedial amendment cycle. IRS will announce the window for employers to adopt newly approved plans toward the end of the review process.

## RELATED RESOURCES

### Non-Mercer Resources

- [Rev. Proc. 2020-10](#) (IRS, Dec. 16, 2019)
- [Announcement 2018-05](#) (IRS, March 9, 2018)
- [Rev. Proc. 2016-37](#) (IRS, July 18, 2016)

### Mercer Law & Policy Resources

- [Defined Benefit, 403\(b\) Preapproved Plan Adoption Deadlines Approaching](#) (Dec. 9, 2019)
- [IRS Creates Program for 403\(b\) Plan Document Compliance](#) (Oct. 18, 2019)

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