



Law & Policy Group

GRIST

IRS issues 2020 cumulative list of changes for preapproved DB plans

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[Notice 2020-14](#) sets forth the 2020 Cumulative List for preapproved defined benefit (DB) plans. The list identifies the changes in the qualification requirements that IRS will consider when reviewing plan documents for the third remedial amendment cycle. Updates to this GRIST incorporate the March 27 [announcement](#) of a three-month deadline extension due to the COVID-19 pandemic for employers to adopt a preapproved DB plan for the second cycle. The end of the second remedial amendment period has shifted from April 30 to July 31. Preapproved DB plan providers may submit their plans for IRS review for the third remedial amendment cycle starting Aug. 1.

Third remedial cycle starts Aug. 1. The third six-year remedial amendment cycle for preapproved DB plans will start Aug. 1, 2020 — not May 1, as previously announced — and will end as originally scheduled on Jan. 31, 2025. Providers can submit their documents to IRS between Aug. 1, 2020, and July 31, 2021. Once IRS has finished reviewing submissions for the cycle, the agency will issue opinion letters to providers whose documents have been approved. Employers may then adopt the plans within a window (usually about two years) announced by IRS. Timely adoption of a newly approved document will allow employers to rely on the provider's opinion letter retroactively to the beginning of the third remedial amendment cycle.

2020 list contains eight years' worth of changes. The 2020 Cumulative list identifies changes in qualification requirements since the [2012 Cumulative List](#). These changes include:

- The Supreme Court's 2013 decision on same-sex marriage in [United States v. Windsor](#) (570 U.S. 744)
- Final hybrid plan regulations published between 2010 and 2015, including rules on lump-sum-based benefit formulas and market rate of return
- Final regulations on determining the minimum present value for split lump sum/annuity distributions

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- Section 436 benefit restriction rules for certain cooperative and small-employer charity (CSEC) plans
- Modified Section 436 benefit restrictions for plan sponsors in bankruptcy, as enacted by the Highway and Transportation Funding Act of 2014

SECURE, CARES acts' provisions excluded from review. When reviewing submissions, IRS won't consider any guidance issued or statutes enacted after Dec. 1, 2019. This means IRS won't review any plan provisions relating to the Setting Every Community Up for Retirement Enhancement (SECURE) Act (Division O of [Pub. L. No. 116-94](#)) or the Coronavirus Aid, Relief, and Economic Security (CARES) Act ([Pub. L. No. 116-136](#)). Therefore, plan sponsors should not include provisions for either law in their submissions. However, preapproved plan providers will need to adopt all amendments — required and discretionary — for both acts by the last day of the first plan year starting on or after Jan. 1, 2022 (Jan. 1, 2024, for governmental and collectively bargained plans), unless IRS designates a later deadline.

Employers still have time to adopt second-cycle plans. Employers still have time to adopt a preapproved DB plan document for the second remedial amendment cycle. The March 27 announcement extended that cycle's deadline from April 30 to July 31.

Related resources

Non-Mercer resources

- [Deadlines extended for 403\(b\) plans and preapproved defined benefit plans](#) (IRS, March 27, 2020)
- [Notice 2020-14](#) (IRS, March 6, 2019)

Mercer Law & Policy resources

- [IRS extends preapproved DB, 403\(b\) preapproved plan adoption deadlines](#) (April 6, 2020)
- [IRS sets third remedial amendment cycle for preapproved DB plans](#) (Dec. 17, 2019)

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