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IRS updates Operational Compliance List for retirement plans

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IRS recently updated its [Operational Compliance List](#) (OC List) for qualified retirement and 403(b) plans to identify changes in law and guidance affecting plan operations. The OC List reminds sponsors about revised operational requirements taking effect during a calendar year, even though conforming amendments might not be due until a later date.

OC List

IRS first began publishing the OC List in 2017 after curtailment of the determination letter program significantly restricted sponsors' ability to receive IRS assurance that their plan remained in compliance with changes in law or guidance. The OC List identifies discretionary and mandatory plan amendments for individually designed plans, organized by the year in which the changes take effect.

The OC List isn't intended to be a comprehensive inventory of every item of IRS guidance or new legislation. Plans must comply still with all relevant requirements, even if some aren't included on the list. IRS's [Recent Published Guidance](#) webpage provides a complete list of all updates.

Items added in 2020

The recent OC List includes changes effective in 2020, such as the final hardship distribution rules and changes made by the Setting Every Community Up for Retirement Enhancement (SECURE) Act and other portions of the [Further Consolidated Appropriations Act, 2020](#) (Pub. L. No. 116-94). Some of these changes include:

- Nondiscrimination testing relief for closed defined benefit plans
- Penalty-free distributions from qualified retirement plans to pay for childbirth or adoption expenses

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- Increase in the starting age for minimum required distributions from 70 -1/2 to 72
- Portability of lifetime income options from defined contribution plans
- Reduction in the minimum age for in-service distributions from 62 to 59-1/2

Since many of the new provisions were effective retroactively, the recent updates to the OC List also include changes effective for earlier years. However, changes relating to the Coronavirus Aid, Relief and Economic Security (CARES) Act ([Pub. L. No. 116-136](#)) are not included in this latest update, but will be covered in a future update.

Related resources

Non-Mercer resources

- [Operational Compliance List](#) (IRS, July 8, 2020)
- [Recent Published Guidance](#) (IRS, April 2, 2020)
- [Pub. L. No. 116-94](#), Further Consolidated Appropriations Act, 2020 (Congress, Dec. 20, 2019)

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- [SECURE, CARES acts change rules on required minimum distributions](#) (April 7, 2020)
- [SECURE Act leaves questions about distributions for birth or adoption](#) (Jan. 28, 2020)
- [IRS finalizes hardship distribution rules](#) (Sept. 25, 2019)

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