

## **New IRS Determination Letter Program Opens for Tax-Qualified Retirement Plans**

**March 22, 2006**

February 1, 2006 marked the opening of the new IRS determination letter program for tax-qualified retirement plans. Under this program, each individually designed qualified retirement plan must be filed with the IRS every five years for a new determination letter. The specific year in each five-year cycle during which a particular qualified retirement plan must be filed is determined by the last digit of the plan sponsor's employer identification number (EIN), which is used for federal income tax purposes. The timetable is set forth in the following table:

<b>Extension of the EGTRRA Remedial Amendment Period and Schedule of Next Five-Year Remedial Amendment Cycle</b>			
Last number of employer EIN	Plan cycle	First day of the initial cycle (i.e., EGTRRA remedial amendment period) is:	Last day of the initial cycle (i.e., EGTRRA remedial amendment period) is:
1 or 6	Cycle A	January 1, 2006	January 31, 2007
2 or 7	Cycle B	January 1, 2007	January 31, 2008
3 or 8	Cycle C	January 1, 2008	January 31, 2009
4 or 9	Cycle D	January 1, 2009	January 31, 2010
5 or 0	Cycle E	January 1, 2010	January 31, 2011

Special rules apply to identify the appropriate plan sponsor EIN in plan mergers and spinoffs, as well as for plans maintained by employers under common control. Plans maintained by multiple members of a controlled group, for example, use the same EIN that is used to file Form 5500. In addition, controlled groups that maintain multiple qualified retirement plans may elect to use the parent corporation's EIN for all of those plans.

We are in the process of contacting clients to identify or verify EINs. If your EIN ends in a 1 or a 6, however, your cycle has already begun, and your determination letter application(s) is due by January 31, 2007. If you are in the opening round of the new program, please get in touch with your Morgan Lewis contact soon to help avoid any unnecessary delays or year-end fire drills.

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