

## Rev. Proc. 2016-6

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**SECTION 1. WHAT IS THE PURPOSE OF THIS REVENUE PROCEDURE?**

**Purpose of revenue procedure**

.01 This revenue procedure sets forth the procedures of the Internal Revenue Service for issuing determination letters on the qualified status of pension, profit-sharing, stock bonus, annuity, and employee stock ownership plans (ESOPs) under §§ 401, 403(a), 409 and 4975(e)(7) of the Internal Revenue Code of 1986, and the status for exemption of any related trusts or custodial accounts under § 501(a). Also see Rev. Proc. 2007–44, 2007–2 C.B. 54, as modified by Rev. Proc. 2008–56, 2008–2 C.B. 826, Rev. Proc. 2009–36, 2009–2 C.B. 304, Notice 2009–97, 2009–2 C.B. 972, Notice 2010–77, 2010–51 I.R.B. 851 and Rev. Proc. 2012–50, 2012–50 I.R.B. 708, which contains a description of the determination letter program, including when to submit a request for a determination letter within the 5-year and 6-year staggered remedial amendment cycles, that apply to individually designed and pre-approved (Master & Prototype and Volume Submitter (VS)) plans. Also see Rev. Proc. 2015–36, 2015–27 I.R.B. 20, for procedures for pre-approved plans.

**Organization of revenue procedure**

.02 Part I of this revenue procedure contains instructions for requesting determination letters for various types of plans and transactions. Part II contains procedures for providing notice to interested parties and for interested parties to comment on determination letter requests. Part III contains procedures concerning the processing of determination letter requests and describes the effect of a determination letter.

**SECTION 2. WHAT CHANGES HAVE BEEN MADE TO THIS PROCEDURE?**

**In general**

.01 This revenue procedure is a general update of Rev. Proc. 2015–6, 2015–1 I.R.B. 194, which contains the Service’s general procedures for employee plans determination letter requests.

**Changes relating to Ann. 2015–19**

.02 Announcement 2015–19, 2015–32 I.R.B. 157, describes changes to the Employee Plans determination letter program for qualified plans. Effective January 1, 2017, the staggered 5-year determination letter remedial amendment cycles for individually designed plans, as described in Rev. Proc. 2007–44, will be eliminated (except that sponsors of Cycle A plans will be permitted to submit applications during the period beginning February 1, 2016, and ending January 31, 2017). The scope of the determination letter program for individually designed plans will be limited to initial plan qualification, qualification upon plan termination, and certain other limited circumstances. As of July 21, 2015, the Service ceased accepting off-cycle determination letter applications (as defined in section 14 of Rev. Proc. 2007–44), except with respect to new and terminating plans.

In anticipation of future changes to the Employee Plans determination letter program eliminating the 5-year remedial amendment cycles, this revenue procedure provides that, effective as of January 4, 2016, determination letters issued to individually designed plans will no longer contain an expiration date (currently required under section 13.02 of Rev. Proc.

2007–44). In response to comments submitted with respect to Ann. 2015–19, the Department of the Treasury and the Service intend to issue guidance with respect to the status of existing expiration dates on determination letters issued prior to January 4, 2016.

The following changes relating to Announcement 2015–19 have been made:

- (1) Section 7.03 has been modified to reflect the restrictions on off-cycle determination letter applications.
- (2) Section 10.05 has been modified to reflect the restrictions on off-cycle determination letter applications.
- (3) Section 21.01 has been modified to provide that determination letters issued to sponsors of individually designed plans on or after January 4, 2016, will not contain an expiration date.
- (4) Section 23 has been modified to state that this revenue procedure is effective February 1, 2016 except that the elimination of expiration dates on determination letters under section 21.01 is effective on January 4, 2016.

#### Other Changes

.03 The following additional changes have been made. These changes are in addition to minor revisions, such as updating references, and the changes relating to Ann. 2015–19 set forth in section 2.02 above.

- (1) Section 1.01 has been modified to delete language relating to the effective date of this revenue procedure, because the effective date is described in section 23.
- (2) Section 3.03 has been modified to provide that the Service will accept determination letter applications for the third Cycle A from 2/1/16 to 1/31/17.
- (3) The heading of section 5.03 has been clarified to reflect that a plan may be reviewed for a design-based safe harbor rather than a nondiscrimination in amount requirement.
- (4) Section 6.04 regarding EPCRS documentation to include for any closing agreement or compliance statement has been clarified.
- (5) Sections 6.09, 7.02(5), 9.02(2)(a), 12.02(6) and 13.03(1) have been modified to note that until a revised Form 8717, *User Fee for Employee Plan Determination Letter Request*, is published taxpayers should use the existing form but refer to applicable user fees in Rev. Proc. 2016–8, section 6.
- (6) Section 6.11 has been modified to provide that a determination may be made that an application is not complete and cannot be processed due to a failure to disclose or distinguish contrary authorities.
- (7) Section 6.13 regarding processing of incomplete applications has been clarified to note that the application will not be returned.
- (8) Section 12.02 has been modified to add Schedule SB for defined benefit plans as one of the forms required when requesting a determination letter in specified circumstances.
- (9) Section 16.03(5) regarding required information for a § 420 determination has been revised to state that the plan must provide that no transfer will be made after 12/31/2025.
- (10) Section 18.06 has been modified to delete (6) regarding documents on coverage schedules or other demonstrations.
- (11) Question 5 Part II of the checklist to the Appendix relating to § 420 applications has been revised to change the date from 12/31/2021 to 12/31/2025.

#### Other guidance

.04 Other guidance affecting this revenue procedure:

(1) Rev. Proc. 2015–36, 2015–27 I.R.B. 20 describes the procedures for the “pre-approval” of plans under the master and prototype (M&P) program and the VS program. Rev. Proc. 2007–44 describes a system of remedial amendment cycles that applies to pre-approved plans and individually designed plans, and the deadlines to submit applications for opinion, advisory and determination letters. The Service issues a Cumulative List every year identifying changes affecting plan qualification requirements.

(2) The 2015 Cumulative List is contained in [Notice 2015–84].

## PART I. PROCEDURES FOR DETERMINATION LETTER REQUESTS

### SECTION 3. ON WHAT ISSUES MAY TAXPAYERS REQUEST WRITTEN GUIDANCE UNDER THIS PROCEDURE?

**Types of requests** .01 Determination letters may be requested on completed and proposed transactions as set forth in the table below:

TYPE OF REQUEST	FORMS	REV. PROC. SECTION
<b>1. Initial Qualification, etc.</b>		
a. Individually-designed plans (including collectively bargained plans) and partial terminations	5300	7
b. ESOPs	5300, 5309	7
c. Adoptions of volume submitter plans (where the employer has made limited modifications to the language of the approved specimen plan)	5307	9
d. Multiple employer plans	5300	10
e. Group trusts	5316	13
f. § 414(x) combined plans	5300	7
<b>2. Termination</b>		
a. In general	5310, 6088	12
b. Multiemployer plan covered by PBGC insurance	5300, 6088	12
<p>Note: Form 5310–A, <i>Notice of Plan Merger, Consolidation, Spinoff or Transfer of Plan Assets or Liabilities – Notice of Qualified Separate Lines of Business</i> generally must be filed not less than 30 days before the merger, consolidation or transfer of assets and liabilities. The filing of Form 5310–A will not result in the issuance of a determination letter.</p>		
<b>3. Special Procedures</b>		
a. Affiliated service group status (§ 414(m)), leased employees (§ 414(n)), partial termination	5300	14
b. Minimum funding waiver	5300	15
c. Section 401(h) determination letters	5300	16
d. Section 420 determination letters including other matters under § 401(a)	5300, Cover letter, Checklist	16
e. Section 420 determination letters excluding other matters under § 401(a)	Cover letter, Checklist	16

**Areas in which determination letters will not be issued** .02 Determination letters issued in accordance with this revenue procedure do not include determinations on the following issues:

(1) Issues involving §§ 72, 79, 105, 125, 127, 129, 402, 403 (other than 403(a)), 404, 409(l), 409(n), 412, 414(h)(2), 415(m), 457, 511 through 515, and 4975 (other than 4975(e)(7)).

(2) Plans or plan amendments for which automatic reliance is granted pursuant to section 19 of Rev. Proc. 2015–36.

(3) Plan amendments described below (these amendments will, to the extent provided, be deemed not to alter the qualified status of a plan under § 401(a)).

(a) An amendment solely to permit a trust forming part of a plan to participate in a pooled fund arrangement described in Rev. Rul. 81–100, 1981–1 C.B. 326, as clarified and modified by Rev. Rul. 2004–67, 2004–2 C.B. 28; Rev. Rul. 2011–1, 2011–2 I.R.B. 251; Notice 2012–6, 2012–3 I.R.B. 293, and Rev. Rul. 2014–24, 2014–37 I.R.B. 529.

(b) An amendment that merely adjusts the maximum limitations under § 415 to reflect annual cost-of-living increases under § 415(d), other than an amendment that adds an automatic cost-of-living adjustment provision to the plan; and

(c) An amendment solely to include language pursuant to § 403(c)(2) of Title I of the Employee Retirement Income Security Act of 1974 (ERISA) concerning the reversion of employer contributions made as a result of mistake of fact.

(4) This section applies to determination letter requests with respect to plans that combine an ESOP (as defined in § 4975(e)(7) of the Code) with retiree medical benefit features described in § 401(h) (HSOPs).

(a) In general, determination letters will not be issued with respect to plans that combine an ESOP with an HSOP with respect to:

(i) whether the requirements of § 4975(e)(7) are satisfied;

(ii) whether the requirements of § 401(h) are satisfied; or

(iii) whether the combination of an ESOP with an HSOP in a plan adversely affects its qualification under § 401(a).

(b) A plan is considered to combine an ESOP with an HSOP if it contains ESOP provisions and § 401(h) provisions.

(c) However, an arrangement will not be considered covered by section 3.02(4) of this revenue procedure if, under the provisions of the plan, the following conditions are satisfied:

(i) No individual accounts are maintained in the § 401(h) account (except as required by § 401(h)(6));

(ii) No employer securities are held in the § 401(h) account;

(iii) The § 401(h) account does not contain the proceeds (directly or otherwise) of an exempt loan as defined in § 54.4975-7(b)(1)(iii) of the Pension Excise Tax Regulations; and

(iv) The amount of actual contributions to provide § 401(h) benefits (when added to actual contributions for life insurance protection under the plan) does not exceed 25 percent of the sum of: (1) the amount of cash contributions actually allocated to participants' accounts in the plan and (2) the amount of cash contributions used to repay principal with respect to the exempt loan, both determined on an aggregate basis since the inception of the § 401(h) arrangement.

**Submission period for applications**

.03 The Service will accept applications for determination letters for the third Cycle A submission period from February 1, 2016 to January 31, 2017. The Service's review will take into account the qualification requirements, and other items identified on the 2015 Cumulative List in [Notice 2015-84].

**SECTION 4. ON WHAT ISSUES MUST WRITTEN GUIDANCE BE REQUESTED UNDER DIFFERENT PROCEDURES?**

**Tax Exempt and Government Entities**

.01 Other procedures for obtaining rulings, determination letters, opinion letters, etc., on matters within the jurisdiction of the Commissioner, TE/GE are contained in the following revenue procedures:

(1) Employee Plans Rulings and Agreements (EP Rulings and Agreements) letter rulings and determination letters, etc.: *See* Rev. Proc. 2016-4, in this Bulletin.

(2) Master & Prototype (M&P) and Volume Submitter (VS) plans under § 401(a): *See* Rev. Proc. 2015–36.

(3) Prototype and Volume Submitter plans under § 403(b): *See* Rev. Proc. 2013–22, 2013–18 I.R.B. 985 as modified by Rev. Proc. 2014–28, 2014–16 I.R.B. 944, and Rev. Proc. 2015–22, 2015–11 I.R.B. 754.

(4) Employee Plans Compliance Resolution System: *See* Rev. Proc. 2013–12, 2013–4 I.R.B. 313, and the modifications made by Rev. Proc. 2015–27, 2015–16 I.R.B. 914 and Rev. Proc. 2015–28, 2015–6 I.R.B. 920.

### **Chief Counsel’s revenue procedure**

.02 The procedures for obtaining letter rulings, determination letters, etc., on matters within the jurisdiction of the Associate Chief Counsel (Tax Exempt and Government Entities), or within the jurisdiction of other offices of Chief Counsel are contained in the following revenue procedures:

(1) Chief Counsel’s letter rulings, information letters, etc.: *See* Rev. Proc. 2016–1, in this Bulletin.

(2) Technical Advice Requests: *See* Rev. Proc. 2016–2, in this Bulletin.

(3) Chief Counsel’s no-rule positions: *See* Rev. Proc. 2016–3, in this Bulletin.

## **SECTION 5. WHAT IS THE GENERAL SCOPE OF A DETERMINATION LETTER?**

### **Scope of this section**

.01 This section delineates, generally, the scope of an employee plan determination letter. This section also identifies certain qualification requirements that are not considered by the Service in its review of a plan and with respect to which determination letters do not provide reliance. This section applies to all determination letters other than letters relating to the qualified status of group trusts; and certain letters relating solely to the requirements of § 420, regarding the transfer of assets in a defined benefit plan to a health benefit account described in § 401(h). For additional information pertaining to the scope of reliance on a determination letter, see sections 8, 9 and 21 of this revenue procedure.

### **Scope of determination letters**

.02 In general, employee plans are reviewed by the Service for compliance with the form requirements (that is, those plan provisions that are required as a condition of qualification under § 401(a)). For terminating plans, the requirements are those that apply as of the date of termination. *See* Rev. Proc. 2007–44 for further details on the scope of the Service’s review of determination letter applications.

### **Design-based safe harbor**

.03 Generally, a plan will not be reviewed for, and a determination letter may not be relied on with respect to, whether a plan satisfies the nondiscrimination requirements of § 401(a)(4), the minimum participation requirements of § 401(a)(26), or the minimum coverage requirements of § 410(b). However, if the applicant elects, a plan will be reviewed for, and a determination letter may be relied on with respect to whether the terms of the plan satisfy one of the design-based safe harbors in §§ 1.401(a)(4)–2(b) and 1.401(a)(4)–3(b) of the regulations (relating to nondiscrimination in amount of contributions and benefits.) A defined contribution plan will also be reviewed for, and a determination letter may be relied on with respect to, whether a plan’s terms satisfy the applicable requirements of sections 401(k) and 401(m).



**Governmental plans under § 414(d)**

.04 A plan will not be reviewed for and a determination letter does not constitute a ruling or determination as to whether the plan is a governmental plan within the meaning of § 414(d). If a determination letter applicant indicates on the application that the plan is a governmental plan within the meaning of § 414(d), the determination letter issued for the plan is predicated on that representation.

**Church plans under § 414(e)**

.05 A plan will not be reviewed for and a determination letter does not constitute a ruling or determination as to whether the plan is a church plan within the meaning of § 414(e). If a determination letter applicant indicates on the application that the plan is a church plan within the meaning of § 414(e), the determination letter issued for the plan is predicated on that representation.

**Tax treatment of certain contributions of § 414(h)**

.06 A plan will not be reviewed for and a determination letter may not be relied on with respect to whether contributions to the plan satisfy § 414(h). A determination letter does not express an opinion on whether contributions made to a plan treated as a governmental plan defined in § 414(d) constitute employer contributions under § 414(h)(2).

**Other limits on scope of determination letter**

.07 A favorable determination letter does not provide reliance for purposes of §§ 404, 412, 430, 431, and 432 with respect to whether an interest rate (or any other actuarial assumption) is reasonable. A favorable determination letter does not constitute a determination with respect to whether any requirements of § 414(r), relating to whether an employer is operating qualified separate lines of business, are satisfied.

**Affiliated service groups, leased employees and partial terminations**

.08 Applicants may elect that the letter include a determination as to whether:

- (1) the employer is a member of an affiliated service group within the meaning of § 414(m),
- (2) leased employees are deemed employees of the employer under the meaning of § 414(n), and/or
- (3) a partial termination has occurred with respect to the plan, and if so, its impact on plan qualification.

**Publication 794**

.09 Publication 794, *Favorable Determination Letter*, contains other information regarding the scope of a determination letter, including the requirement that all information submitted with the application be retained as a condition of reliance. In addition, the specific terms of each letter may further define its scope and the extent to which it may be relied upon. Publication 794 can also be found at <http://www.irs.gov/Forms-&-Pubs>.

**SECTION 6. WHAT IS THE GENERAL PROCEDURE FOR REQUESTING DETERMINATION LETTERS?**

**Scope**

.01 This section contains procedures that are generally applicable to all determination letter requests. Additional procedures for specific requests are contained in sections 7 through 16.

**Qualified trustee plans**

.02 A trust created or organized in the United States and forming part of a pension, profit-sharing, stock bonus or annuity plan of an employer for the exclusive benefit of its employees or their beneficiaries that meets the requirements of § 401(a) is a qualified trust and is exempt from federal income tax under § 501(a) unless the exemption is denied under § 502, relating to feeder organizations, or § 503, relating to prohibited transactions, if, in the latter case, the plan is one described in § 503(a)(1)(B).

**Qualified nontrusteed annuity plans**

.03 A nontrusteed annuity plan that meets the applicable requirements of § 401(a) and other additional requirements as provided under § 403(a) and § 404(a)(2) (relating to deductions of employer contributions for the purchase of retirement annuities) qualifies for the special tax treatment under § 404(a)(2), and the other sections of the Code, if the additional provisions of such other sections are also met.

**Complete information required**

.04 An applicant requesting a determination letter must file the material required by this revenue procedure with Employee Plans Determinations (EP Determinations) at the address in section 6.15. The filing of the application, when accompanied by all information and documents required by this revenue procedure, will generally serve to provide the Service with the information required to make the requested determination. However, in making the determination, the Service may require the submission of additional information. If an application is determined by the Service to be procedurally or technically deficient, the Service may decline to process the application and an applicant may be required to resubmit the entire application and pay a new user fee in order to request a determination letter. See section 6.13 for additional information. Information submitted to the Service in connection with an application for determination may be subject to public inspection to the extent provided by § 6104. The applicant must include Employee Plans Compliance Resolution System documentation for any closing agreement or compliance statement. This includes Appendix C of Rev. Proc. 2013–12 or Form 14568, Appendix C Part I- Model VCP Submission Compliance Statement, applicable attachments or model schedules and copies of corrective amendments issued or applied for during the current 5-year or 6-year remedial amendment cycle, if any, with the determination letter application.

**Complete copy of plan and trust instrument and applicable amendments required**

.05 In addition to a copy of the plan and trust documents and other material required by the application, the determination letter application must also include a copy of all signed and dated interim and other plan amendments adopted or effective during the plan’s current remedial amendment cycle (other than such amendments adopted on behalf of the employer by the practitioner that sponsors the employer’s VS plan) even if these amendments are dated earlier than a previous determination letter issued with respect to the plan. The application must also include the completed Procedural Requirements Checklist that is set forth in Forms 5300, 5307, 5310 and 5316. If a plan did not receive a prior favorable determination letter, all plan documents and amendments for the Cumulative List applicable for the plan’s prior submission period must be submitted.

**Submission of reference list encouraged**

In order to facilitate the review of an application for a determination letter, an applicant is encouraged to submit a completed reference list along with the application for the plan. A reference list is a checklist that applicants may use to indicate the location in their plan document of items set forth in the 2015 Cumulative List. A sample reference list will be made available at [www.irs.gov](http://www.irs.gov). The inclusion of a completed reference list with the determination letter application will facilitate the Service’s review of the submission, and is encouraged. Submission of a reference list is not mandatory.

In order for documents to be properly scanned, documents submitted should not be stapled or bound and the application form should be prepared using Courier 10 point font.

**Section 9 of Rev. Proc. 2016–4 applies**

.06 Section 9 of Rev. Proc. 2016–4 is generally applicable to requests for determination letters under this revenue procedure.

**Separate application for each single § 414(l) plan**

.07 A separate application is required for each single plan within the meaning of § 414(l). This requirement does not pertain to applications regarding the qualified status of group trusts.

**Prior letters**

.08 If the plan has received a favorable determination letter in the past, the application must include a copy of the latest determination letter. If a prior determination letter is not available, an explanation must be included with the application, and the employer must include a copy of the prior plan or adoption agreement, including the opinion or advisory letter, if applicable.

**Plans involving mergers**

If the submitted plan is the result of a merger of two or more plans, the applicant must include a copy of the prior determination letter for all the plans that combined to result in the merged plan. If a prior determination letter is not available for any such plan involved in a merger, an explanation must be included with the application, and the applicant must include a copy of the prior plan document (and adoption agreement, if applicable), the opinion or advisory letter for the plan, if applicable, and all amendments necessary to verify that each plan was amended timely for the Cumulative List applicable for the plan's prior submission period. Additionally, for each plan involved in a merger the applicant must provide all of the amendments adopted during the plan's current remedial amendment cycle.

**User fees**

.09 The appropriate user fee, if applicable, must be paid according to the procedures of Rev. Proc. 2016-8, in this Bulletin. Form 8717, *User Fee for Employee Plan Determination Letter Request* (Rev. August 2014), must accompany each determination letter request. If, however, the user fee for a determination letter request is paid through *www.pay.gov*, submit a copy of the payment confirmation in lieu of Form 8717. If the criteria for the user fee exemption are met in accordance with Notice 2011-86, 2011-45 I.R.B. 698, the certification on Form 8717 must be signed. Stamped signatures are not acceptable. Form 8717 is currently being revised. Until such revised form is published, taxpayers should continue to use the existing form. However, when completing the form, taxpayers should refer to the applicable Employee Plans user fees listed in section 6 of Rev. Proc. 2016-8, in this Bulletin.

**Interested party notification and comment**

.10 Before filing an application, the applicant requesting a determination letter must satisfy the requirements of section 3001(a) of ERISA, and § 7476(b)(2) of the Code and the regulations thereunder, which provide that an applicant requesting a determination letter on the qualified status of certain retirement plans must notify interested parties of such application. The general rules of the Service with respect to notifying interested parties of requests for determination letters relating to the qualification of plans involving §§ 401 and 403(a) are set out below in sections 17 and 18 of this revenue procedure.

**Contrary authority must be distinguished**

.11 If the application for determination involves an issue where contrary authorities exist, failure to disclose or distinguish such contrary authorities may result in requests for additional information or the determination that the application is not complete and cannot be processed.

**Employer/employee relationship**

.12 Employee Plans of the Tax Exempt and Government Entities Division of the Service does not make determinations regarding the existence of an employer-employee relationship as part of its determination on the qualification of a plan, but relies on the applicant's representations or assumptions, stated or implicit, regarding the existence of such a relationship. Taxpayers are reminded, however, that they may file Form SS-8, *Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding*, with the Service to determine the employment status of the individuals involved prior to filing an application for a determination letter on the qualified status of the plan. See section 12.04 of Rev. Proc. 2016-1.

**Incomplete applications**

.13 This section provides procedures for processing incomplete applications.

(1) *Procedural Completeness*. Upon receipt, an application will be reviewed to determine if it is procedurally complete. In order for an application to be procedurally complete, the application must include all of the information and documents required by this revenue procedure, including but not limited to the Form 5300 series application and the Procedural Requirements Checklist.

(2) *Procedurally Deficient Applications.* The following procedures apply to a procedurally deficient on-cycle filing of a determination letter application. To retain its status as an on-cycle filing, a procedurally deficient application must either be perfected in accordance with section 6.13(2)(a) of this revenue procedure or resubmitted in accordance with section 6.13(2)(b). See section 6.05 of this revenue procedure.

- (a) If an application is procedurally deficient, the Service will send the applicant a letter identifying the missing information. The applicant will have 30 days from the date of the letter to submit the missing information identified. If the missing information is not sent (postmarked) within 30 days of the Service's letter, the case will be closed. The application will not be returned and any user fee with respect to the application will not be refunded.
- (b) If a procedurally deficient application is not perfected pursuant to section 6.13(2)(a) of this revenue procedure, the applicant must resubmit the entire application, including a new user fee (if applicable), by the end of the plan sponsor's remedial amendment cycle, unless a later date is specified in the Service's letter.
- (c) If a procedurally deficient application is not perfected pursuant to section 6.13(2)(a) of this revenue procedure, and both the response deadline and the postmark date of a response submitted pursuant to section 6.13(2)(a) occur after the end of the plan sponsor's remedial amendment cycle, the Service will send the applicant a final disposition letter indicating that the remedial amendment cycle will not be extended to allow the plan to be submitted for that cycle. The application will not be returned and any user fee with respect to the application will not be refunded.

(3) *Technically deficient applications.* An application that is procedurally complete will proceed for a technical review. During the course of the review the Service may request the submission of additional information.

- (a) If the Service needs additional information to process the application, the applicant will be sent an information request with a response date.
- (b) If the applicant's response to such information request is not timely or complete, the applicant will be given a set period of time in which to respond.
- (c) If a complete response is not received by the response deadline set forth in the Service's letter referenced in section 6.13(3)(b) of this revenue procedure, the case will be closed. The application will not be returned and any user fee submitted with respect to the application will not be refunded.
  - (i) If either the response deadline or the postmark date of the submitted response occurs prior to the end of the plan sponsor's remedial amendment cycle, the applicant will be given a set period of time to submit a new application, including a new user fee, if applicable.
  - (ii) If both the response deadline and the postmark date of a response submitted pursuant to section 6.13(3)(b) occur after the end of the plan sponsor's remedial amendment cycle, the Service will send the applicant a final disposition letter indicating that the remedial amendment cycle will not be extended to allow the plan to be submitted for that cycle.
- (d) An application resubmitted with a new user fee in accordance with section 6.13(3)(c) of this revenue procedure will be treated as a new application for purposes of this section 6.13.

**Effect of failure to disclose material fact**

.14 The Service may determine, based on the application form, the extent of review of the plan document. A failure to disclose a material fact or misrepresentation of a material fact on the application adversely affects the reliance that would otherwise be obtained through issuance by the Service of a favorable determination letter. Similarly, failure to accurately provide any of the information called for on any form required by this revenue procedure may result in no reliance.

**Where to file requests**

.15 Requests for determination letters are to be addressed to EP Determinations at the following address:

Internal Revenue Service  
Attention: EP/EO Determination Letters  
Stop 31  
P.O. Box 12192  
Covington, KY 41012-0192

Requests shipped by Express Mail or a delivery service should be sent to:

Internal Revenue Service  
Attention: EP/EO Determination Letters  
Stop 31  
201 West Rivercenter Blvd.  
Attn: Extracting Stop 31  
Covington, KY 41011

Determination letter applications will not be accepted via fax.

**Submission of related plans**

.16 If applications for two or more plans of the same employer are submitted together, each application should include a cover letter that identifies the name of the employer and the plan numbers and employer identification numbers of all the related plans submitted together. The Service will determine whether these applications will be worked simultaneously.

**Withdrawal of requests**

.17 The applicant's request for a determination letter may be withdrawn by a written request at any time prior to the issuance of a final adverse determination letter. If an appeal to a proposed adverse determination letter is filed, a request for a determination letter may be withdrawn at any time prior to the forwarding of the proposed adverse action to the Chief, Appeals Office. In the case of a withdrawal, the Service will not issue a determination of any type. A failure to issue a determination letter as a result of a withdrawal will not be considered a failure of the Secretary or his delegate to make a determination within the meaning of § 7476. However, the Service may consider the information submitted in connection with the withdrawn request in a subsequent examination. Generally, the user fee will not be refunded if the application is withdrawn.

**Right to status conference**

.18 An applicant for a determination letter has the right to have a conference with the EP Determinations Manager concerning the status of the application if the application has been pending at least 270 days. The status conference may be by phone or in person, as mutually agreed upon. During the conference, any issues relevant to the processing of the application may be addressed, but the conference will not involve substantive discussion of technical issues. No tape, stenographic, or other verbatim recording of a status conference may be made by any party. Subsequent status conferences may also be requested if at least 90 days have passed since the last preceding status conference.

**How to request status conference**

.19 A request for a status conference with the EP Determinations Manager is to be made in writing and is to be sent to the specialist assigned to review the application or, if the applicant does not know who is reviewing the application, to the EP Determinations Manager at the address in section 6.15.

## SECTION 7. WHEN DETERMINATION LETTERS ARE ISSUED

### Requesting Determination Letters

.01 This section 7 contains the procedures for requesting determination letters for individually designed plans in the following circumstances:

- (1) Initial qualification.
- (2) Amendment and restatement subsequent to initial qualification.
- (3) Plan termination.

### Forms

.02 A determination letter request for the items listed in section 7.01 is made by filing the appropriate form according to the instructions to the form and any prevailing revenue procedures, notices, and announcements.

(1) Form 5300, *Application for Determination for Employee Benefit Plan*, including a copy of the Procedural Requirements Checklist included therein, must be filed to request a determination letter for an individually designed plan, including a collectively bargained plan and an M&P plans that has made modifications.

(2) Form 5309, *Application for Determination of Employee Stock Ownership Plan*, must be filed as an attachment with a Form 5300, in order to request a determination whether the plan is an ESOP under § 409 or § 4975(e)(7).

(3) Form 5310, *Application for Determination for Terminating Plan*, including a copy of the Procedural Requirements Checklist included therein. (Also see section 12 of this revenue procedure for additional requirements pertaining to applications for determination upon plan termination.)

(4) Form 8905, *Certification of Intent to Adopt a Pre-approved Plan*, executed before the end of the employer's 5-year remedial amendment cycle as determined under Part III of Rev. Proc. 2007-44, if applicable.

(5) Form 8717, *User Fee for Employee Plan Determination Letter Request* (Rev. August 2014) (or the payment confirmation from [www.pay.gov](http://www.pay.gov) as described in section 6.09). (Form 8717 is currently being revised. Until such revised form is published taxpayers should continue to use the existing form. However, when completing the form, taxpayers should refer to the applicable Employee Plans user fees listed in section 6 of Rev. Proc. 2016-8, in this Bulletin.)

(6) Form 2848, *Power of Attorney and Declaration of Representative*.

(7) Form 8821, *Tax Information Authorization*.

### Off-Cycle Applications

.03 As provided in Ann. 2015-19, effective as of July 21, 2015, the Service no longer accepts off-cycle applications for individually designed plans, except with respect to new plans, as defined in section 14.02(2) of Rev. Proc. 2007-44, and for terminating plans.

### Application must include copy of plan and amendments

.04 The plan, all interim and other plan amendments adopted or effective during the plan's current remedial amendment cycle must be included in the application package along with a copy of the restated plan and trust instrument. If the plan sponsor did not receive a favorable

determination letter, all plan documents and amendments for the Cumulative List applicable for the plan's prior submission period must be submitted. If the plan sponsor relied upon an opinion or advisory letter with respect to its prior remedial amendment cycle, the plan, adoption agreements and all applicable amendments for the plan's prior submission period must also be submitted.

In general, a determination letter may not be relied upon for any period preceding the beginning of the remedial amendment cycle for which the letter is issued. Thus, for example, if an application for a determination letter includes a plan amendment that was effective before the beginning of the plan's current remedial amendment cycle, the determination letter may not be relied upon with respect to the effect of the amendment for the period preceding the beginning of the cycle.

The Service has the discretion to request copies of any amendments during its review of a plan.

#### **Restatements required**

.05 Individually designed plans must be restated when they are submitted for determination letter applications, except for terminating plans.

#### **Controlled group elections pursuant to Revenue Procedure 2007-44**

.06 If, pursuant to Rev. Proc. 2007-44, an election has been made for related entities (as described under section 10 of that revenue procedure) to be on the same cycle, each application must include a cover letter that identifies the name of each member of the controlled group and/or employer within the affiliated service group, and the plan numbers and employer identification numbers of all the related plans submitted together. When a controlled group election has been made for multiple plans to be on the same cycle, the Service will determine whether these applications will be worked simultaneously.

#### **§ 414(x) combined plans**

.07 The Service will consider § 414(x) in issuing determination letters for individually designed plans that consist of a defined benefit plan and a qualified cash or deferred arrangement. A § 414(x) plan sponsor must submit two Forms 5300 and two applicable user fees.

### **SECTION 8. EMPLOYER RELIANCE ON M&P AND VOLUME SUBMITTER PLANS**

#### **Scope**

.01 Rev. Proc. 2015-36 describes the procedures for requesting opinion letters and advisory letters on M&P and VS plans and the extent to which adopting employers of such plans may rely on favorable opinion or advisory letters without having to request individual determination letters. In addition, many pre-approved plan adopters may no longer apply for determination letters, as described in this revenue procedure.

(1) An adopting employer of an M&P plan (whether standardized or nonstandardized) may not apply for a determination letter for the plan on Form 5307.

(2) An adopting employer of a VS plan may not apply for a determination letter for the plan on Form 5307 unless the employer has modified the terms of the approved plan and the modifications are not so extensive as to cause the plan to be treated as an individually designed plan.

(3) An application for a determination letter for an M&P or VS plan that is filed on Form 5300 is treated as an application for an individually designed plan, requiring the plan to be restated to take into account the Cumulative List in effect when the application is filed, unless the employer is filing the application solely for one or more of the following reasons:

(a) The employer has modified the terms of the M&P plan by adding overriding language necessary to coordinate the application of the limitations of section 415 or the requirements of section 416 because the employer maintains multiple plans.

(b) The plan is a pension plan and the normal retirement age under the plan is lower than 62. In this case, a determination letter is required for reliance that the plan's normal retirement age satisfies the requirements of section 1.401(a)-1(b)(2) of the regulations.

(c) The employer seeks a determination as to whether there has been a partial termination of the plan, the employer is a member of an affiliated service group under section 414(m), or the employer is a recipient of services of leased employees under section 414(n).

(d) The plan is a multiple employer plan.

(e) The employer is required to obtain a determination letter to comply with published procedures of the Service (for example, in conjunction with a request for a minimum funding waiver).

In the situations described in subparagraphs (a) through (e), the plan does not have to be restated for the Cumulative List in effect when the application is filed and will be reviewed on the basis of the Cumulative List that was considered in issuing the opinion or advisory letter for the plan. An employer that submits an application for a determination letter for an M&P or VS plan on Form 5300 for one or more of the reasons described in subparagraphs (a) through (e) should identify the reason in a cover letter to the application and include a copy of the opinion or advisory letter.

Section 9 of this revenue procedure describes the procedures for requesting determination letters on VS plans where the employer has made limited modifications to the language of the approved specimen plan.

**Reliance equivalent to determination letter**

.02 If an employer can rely on a favorable opinion or advisory letter pursuant to Section 19 of Rev. Proc. 2015-36, as modified by this revenue procedure, the opinion or advisory letter shall be equivalent to a favorable determination letter. For example, the favorable opinion or advisory letter shall be treated as a favorable determination letter for purposes of section 21 of this revenue procedure, regarding the effect of a determination letter, and section 5.01(4) of Rev. Proc. 2013-12, 2013-4 I.R.B. 313, as updated, regarding the definition of "favorable letter" for purposes of the Employee Plans Compliance Resolution System.

**SECTION 9.  
DETERMINATION  
LETTER FILING  
PROCEDURES FOR  
VOLUME SUBMITTER  
PLANS**

**Scope**

.01 This section contains procedures for requesting determination letters for adopting employers of VS plans where the employer has made limited modifications to the approved specimen plan.

**Determination letter for adoption of volume submitter plan**

.02 An application filed on Form 5307, *Application for Determination for Adopters of Modified Volume Submitter Plans*, must include any interim plan amendments unless the VS plan authorizes the practitioner to amend on behalf of the adopting employer. The Service may, however, request evidence of adoption of interim amendments during the course of its review of a particular plan. With respect to determination letters for adopting employers of VS plans:



(1) An application for a determination letter for an employer's adoption of an approved VS plan where the employer has made limited modifications to the language of the approved specimen plan must be sent to the address provided in section 6.15. For VS plans involved in plan mergers, see section 6.08 of this procedure.

(2) The application for a determination letter must include the following:

(a) Form 8717, *User Fee for Employee Plan Determination Letter Request* (Rev. August 2014) (or the payment confirmation from [www.pay.gov](http://www.pay.gov) as described in section 6.09). (Form 8717 is currently being revised. Taxpayers should continue to use the existing form until the revised form is published. However, when completing the form, taxpayers should refer to the applicable Employee Plans user fees listed in section 6 of Rev. Proc. 2016–8, in this Bulletin);

(b) Form 5307, *Application for Determination for Adopters of Modified Volume Submitter (VS) Plans*, including a copy of the Procedural Requirements Checklist included therein;

(c) Form 2848, *Power of Attorney and Declaration of Representative*, or other written authorization allowing the VS practitioner to act as a representative of the employer with respect to the request for a determination letter;

(d) Form 8905, *Certification of Intent to Adopt a Pre-approved Plan*, executed before the end of the employer's 5-year remedial amendment cycle as determined under Part III of Rev. Proc. 2007–44, if applicable;

(e) A copy of the most recent advisory letter for the practitioner's VS specimen plan;

(f) A complete copy of the plan and trust instrument and, if applicable, a copy of the completed adoption agreement;

(g) A written representation (signature optional) made by the VS practitioner which explains how the plan and trust instrument differ from the approved specimen plan, describing the location, nature and effect of each deviation from the language of the approved specimen plan;

(h) A copy of the plan's latest favorable determination letter, if applicable;

(i) Applications filed on Form 5307 for VS plans where the employer has made limited modifications to the language of the approved specimen plan that do not authorize the practitioner to amend on behalf of the adopting employer must include any interim amendments that were adopted for qualification changes on the applicable Cumulative List used in reviewing and approving the underlying VS plan; and

(j) Any other information or material that may be required by the Service.

(3) Deviations from the language of the approved specimen plan will be evaluated based on the extent and complexities of the changes. If the changes are determined not to be compatible with the VS program, the Service will require the applicant to file Form 5300 and pay the higher user fee. *See also*, Rev. Proc. 2007–44, section 19.

(4) An employer will not be treated as having adopted a VS plan if the employer has signed or otherwise adopted the plan prior to the date on the VS specimen plan's advisory letter. In this case, the determination letter application for the employer's plan may not be filed on Form 5307 and will not be eligible for a reduced user fee. A determination letter application for a VS plan must be based on the approved VS specimen plan with any applicable modifications. See section 19.03 in Rev. Proc. 2015–36.

**Timing of determination letter applications for adopting employers of pre-approved plans**

.03 In accordance with Part IV of Rev. Proc. 2007–44, adopting employers of M&P and VS plans have a six-year remedial amendment cycle. The deadline for an adopting employer to adopt the approved M&P or VS plan closes with the two-year window at the end of the plan’s remedial amendment cycle. An adopting employer of a modified VS plan who desires to obtain a determination letter for reliance must submit within the two-year window. Applications may only be submitted during the two-year window. Applications submitted outside of the two-year window will be returned.

**SECTION 10. MULTIPLE EMPLOYER PLANS**

**Scope**

.01 This section contains procedures for applications filed with respect to plans described in § 413(c). A plan is not described in § 413(c) if all the employers maintaining the plan are members of the same controlled group or affiliated service group under § 414(b), (c) or (m).

**Options to file for the plan only or for both the plan and employers maintaining the plan**

.02 A determination letter applicant for a multiple employer plan can request either (1) a letter for the plan in the name of the controlling member or (2) a letter for the plan in the name of the controlling member and a letter for each employer maintaining the plan with respect to whom a separate Form 5300 is filed.

(1) An applicant requesting a letter for the plan submits one Form 5300 application for the plan in the name of the controlling member, either including or omitting the design-based safe harbor questions. The user fee for a single employer plan will apply. An employer maintaining a multiple employer plan can rely on a favorable determination letter issued for the plan except with respect to the requirements of §§ 401(a)(4), 401(a)(26), 401(l), 410(b) and 414(s), and, if the employer maintains or has ever maintained another plan, §§ 415 and 416.

(2) An applicant requesting a letter for the plan and for an employer maintaining the plan must submit the filing required in (1) above as well as a separate Form 5300 application for each employer requesting a separate letter. The user fee for the application will be determined under the user fee schedules for multiple employer plans in section 6.05 of Rev. Proc. 2016–8.

**Where to file**

.03 The complete application, including all Forms 5300 for employers maintaining the plan who request separate letters must be filed as one submission with EP Determinations. The application is to be sent to the address in section 6.15.

**Determination letter sent to each employer who files Form 5300**

.04 The Service will mail a determination letter to each employer maintaining the plan for whom a separate Form 5300 has been filed.

**Addition of employers**

.05 An employer may continue to rely on a favorable determination letter after another employer commences participation in the plan, regardless of whether the first employer’s reliance is based on its own letter or the letter issued for the plan and regardless of whether an application for a determination letter for the new employer is filed. An application for a determination letter that takes into account the addition of such other employer should include a completed Form 5300 for the plan in the name of the controlling member on the Form 5300 filed pursuant to section 10.02 above, and a supplemental Form 5300 for each new employer who desires a separate determination letter. The Service will send the determination letter only to the applicant and the new employers. However, a new employer that joins a multiple employer plan after the existing multiple employer plan was timely submitted in Cycle B (the applicable cycle as described in section 10 of Rev. Proc. 2007–44), will be subject to the rules under Rev. Proc. 2007–44. Effective as of July 21, 2015, the Service no longer accepts off-cycle applications for individually designed plans, except with respect to new plans, as defined in section 14.02(2) of Rev. Proc. 2007–44, and for terminating plans.

**Pre-approved multiple employer plans**

.06 A pre-approved plan that is submitted on a Form 5300 because it is a multiple employer plan will be reviewed on the basis of the Cumulative List that was used to review the underlying plan.

**SECTION 11. RESERVED**

Reserved

**SECTION 12.  
TERMINATION OR  
DISCONTINUANCE OF  
CONTRIBUTIONS;  
NOTICE OF MERGERS,  
CONSOLIDATIONS,  
ETC.**

**Scope**

.01 This section contains procedures for requesting determination letters involving plan termination or discontinuance of contributions. This section also contains procedures regarding required notice of merger, consolidation, or transfer of assets or liabilities.

**Forms**

.02 Required Forms

(1) Form 5310, *Application for Determination for Terminating Plan*, including a copy of the Procedural Requirements Checklist included therein, is filed by plans other than multiemployer plans covered by the insurance program of the Pension Benefit Guaranty Corporation (PBGC).

(2) Form 5300, *Application for Determination of Employee Benefit Plan*, including a copy of the Procedural Requirements Checklist included therein, is filed in the case of a multiemployer plan covered by PBGC insurance.

(3) Form 6088, *Distributable Benefits from Employee Pension Benefit Plans*, is also required of a sponsor or plan administrator of a defined benefit plan or an underfunded defined contribution plan who files an application for a determination letter regarding plan termination. For collectively bargained plans, a Form 6088 is required only if the plan benefits employees who are not collectively bargained employees within the meaning of § 1.410(b)–6(d). A separate Form 6088 is required for each employer employing such employees. See the instructions for Form 6088 for information required to be submitted along with the form, including a statement explaining how the present values were determined.

(4) Form 5310–A, *Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities – Notice of Qualified Separate Lines of Business*, if required, generally must be filed not later than 30 days before a merger, consolidation or transfer of assets and liabilities. The filing of Form 5310–A will not result in the issuance of a determination letter.

(5) Form 8905, *Certification of Intent to Adopt a Pre-approved Plan*, must be filed to establish the employer’s eligibility for the 6-year remedial amendment cycle where the employer executed the form by the end of the employer’s 5-year remedial amendment cycle as determined under Part III of Rev. Proc. 2007–44.

(6) Form 8717, *User Fee for Employee Plan Determination Letter Request*, (Revised August 2014) (or the payment confirmation from [www.pay.gov](http://www.pay.gov) as described in section 6.09). (Form 8717 is currently being revised. Until such revised form is published, taxpayers should continue to use the existing form. However, when completing the form, taxpayers should refer to the applicable user fee listed in section 6 of Rev. Proc. 2016–8, in this bulletin.)

(7) Form 2848, Power of Attorney and Declaration of Representative, or other written authorization allowing the VS practitioner to act as a representative of the employer with respect to the request for a determination letter. If applicable, submit Form 8821, Tax Information Authorization.

(8) Schedule SB for defined benefit plans.

#### **Supplemental information**

.03 The application for a determination letter involving plan termination must also include any supplemental information or schedules required by the forms or form instructions. For example, the application must include copies of all records of actions taken to terminate the plan (such as a resolution of the board of directors) and a schedule providing certain information regarding employees who separated from vesting service with less than 100% vesting.

In cases involving the termination of plans that contain a § 401(h) feature, the cover letter of the submission must reference the § 401(h) feature and make clear that this feature is part of the termination application. The cover letter must specifically state the location of plan provisions that relate to the § 401(h) feature.

#### **Compliance with Title IV of ERISA**

.04 In the case of plans subject to Title IV of ERISA, a favorable determination letter issued in connection with a plan's termination is conditioned on approval that the termination is a valid termination under Title IV of ERISA. Notification by PBGC that a plan may not be terminated will be treated as a material change of fact.

#### **Termination prior to time for amending for change in law**

.05 A plan that terminates after the effective date of a change in law, but prior to the date that amendments are otherwise required, must be amended to comply with the applicable provisions of law from the date on which such provisions become effective with respect to the plan. Because such a terminated plan would no longer be in existence by the required amendment date and therefore could not be amended on that date, such plan must be amended in connection with the plan termination to comply with those provisions of law that become effective with respect to the plan on or before the date of plan termination. (Such amendments include any amendments made after the date of plan termination that were required in order to obtain a favorable determination letter.) In addition, annuity contracts distributed from such terminated plans also must meet all the applicable provisions of any change in law. See also section 8 of Rev. Proc. 2007-44.

An application will be deemed to be filed in connection with plan termination if it is filed no later than the later of (i) one year from the effective date of the termination, or (ii) one year from the date on which the action terminating the plan is adopted. However, in no event can the application be filed later than twelve months from the date of distribution of substantially all plan assets in connection with the termination of the plan.

#### **Restatement not required for terminating plan**

.06 A terminating plan generally does not have to be restated. However, see section 7.05 and .05 of this section above.

### **SECTION 13. GROUP TRUSTS**

#### **Scope**

.01 This section provides special procedures for requesting a determination letter on the qualified status of a group trust under Rev. Rul. 81-100, as clarified and modified by Rev. Rul. 2004-67, Rev. Rul. 2011-1, 2011-2 I.R.B. 251, Notice 2012-6, 2012-3 I.R.B. 293, and Rev. Rul. 2014-24, 2014-37 I.R.B. 529.

## Required information

.02 A request for a determination letter on the status of a group trust is made by submitting a Form 5316, *Application for Group or Pooled Trust Ruling*, demonstrating how the group trust satisfies the criteria listed in Rev. Rul. 2011–1, together with the trust instrument and related documents. Rev. Rul. 2004–67 extends the ability to participate in group trusts to eligible governmental plans under § 457(b) and clarifies the ability of certain individual retirement accounts under § 408 to participate. Rev. Rul. 2011–1 extends the ability to participate in group trusts to custodial accounts under § 403(b)(7), retirement income accounts under § 403(b)(9), and governmental retiree benefit plans under § 401(a)(24). There are two model amendments in Rev. Rul. 2011–1. Amendment 1 is for a group trust that received a determination letter from the Service prior to January 10, 2011, that the group trust satisfies Rev. Rul. 81–100, but that does not satisfy the separate account requirement of paragraph (6) of the holding of Rev. Rul. 2011–1. Amendment 2 is for a group trust that received a determination letter from the Service prior to January 10, 2011, that the group trust satisfies Rev. Rul. 81–100, as modified by Rev. Rul. 2004–67, and that intends to permit custodial accounts under § 403(b)(7), retirement income accounts under § 403(b)(9), or § 401(a)(24) governmental retirement plans to participate in the group trust. Rev. Rul. 2014–24 extends the ability to participate in a group trust to certain retirement plans qualified only under the Código de Rentas Internas para un Nuevo Puerto Rico de la Ley Núm. 1 de 31 de enero de 2011 (“Puerto Rico Code”), and clarifies that assets held by certain separate accounts maintained by insurance companies may be invested in 81–100 group trusts.

## Forms

### .03 Required Forms

(1) Form 8717, *User Fee for Employee Plan Determination Letter Request* (Rev. August 2014) (or the payment confirmation from [www.pay.gov](http://www.pay.gov) as described in section 6.09). (Form 8717 is currently being revised. Taxpayers should continue to use the existing form until the revised form is published. However, when completing the form, taxpayers should refer to the applicable Employee Plans user fees listed in section 6 of Rev. Proc. 2016–8, in this Bulletin);

(2) Form 2848, *Power of Attorney and Declaration of Representative*, or other written authorization allowing the VS practitioner to act as a representative of the employer with respect to the request for a determination letter. If applicable, submit Form 8821, *Tax Information Authorization*.

(3) Form 5316, *Application for Group or Pooled Trust Ruling*, including a copy of the Procedural Requirements Checklist.

## SECTION 14. AFFILIATED SERVICE GROUPS; LEASED EMPLOYEES

### Scope

.01 This section provides procedures for determination letter requests on affiliated service group status under § 414(m), and whether an employee is a leased employee and is deemed to be an employee of the recipient employer for qualification purposes under § 414(n).

### Employer must request the determination under § 414(m) or § 414(n)

.02 Generally, a determination letter will indicate whether the employer is a member of an affiliated service group under § 414(m) or whether an employee is a leased employee and is deemed to be an employee of the recipient employer under § 414(n) only if the employer requests such determination, and submits with the determination letter application the information specified in section 14.06 or section 14.07 below.

**Forms** .03 Form 5300 is submitted for a request on affiliated service group status or leased employee status. Form 5307 cannot be used for this purpose.

**Employer is responsible for determining status under § 414(m) and § 414(n)** .04 An employer is responsible for determining at any particular time whether it is a member of an affiliated service group and, if so, whether its plan(s) continues to meet the requirements of § 401(a) taking into account § 414(m). An employer or plan administrator is also responsible for taking action relative to the employer's qualified plan if that employer becomes, or ceases to be, a member of an affiliated service group. An employer that is the recipient of services of leased employees within the meaning of § 414(n) is also responsible for determining at any particular time whether a leased employee is deemed to be an employee of the recipient for qualified plan purposes.

**Pre-approved plans** .05 An employer that has adopted a pre-approved plan and wants a determination with respect to § 414(m) or § 414(n) must submit the information required by section 14.06 or section 14.07 of this revenue procedure and any other materials necessary to make a determination along with Form 5300. When an employer requests a determination regarding affiliated service group status or leased employees, the plan will be reviewed on the basis of the Cumulative List that was used to review the underlying pre-approved plan.

**Required information for § 414(m) determination** .06 A determination letter will be issued with respect to § 414(m) only if the employer requests such a determination and the application includes:

(1) A description of the nature of the business of the employer, specifically whether it is a service organization or an organization whose principal business is the performance of management functions for another organization, including the reasons therefor;

(2) The identification of other members (or possible members) of the affiliated service group;

(3) A description of the business of each member (or possible member) of the affiliated service group, describing the type of organization (corporation, partnership, etc.) and indicating whether the member is a service organization or an organization whose principal business is the performance of management functions for the other group member(s);

(4) The ownership interests between the employer and the members (or possible members) of the affiliated service group (including ownership interests as described in § 414(m)(2)(B)(ii) or § 414(m)(6)(B));

(5) A description of services performed for the employer by the members (or possible members) of the affiliated service group, or vice versa (including the percentage of each member's (or possible member's) gross receipts and service receipts provided by such services, if available, and data as to whether such services are a significant portion of the member's business) and whether, as of December 13, 1980, it was not unusual for the services to be performed by employees of organizations in that service field in the United States;

(6) A description of how the employer and the members (or possible members) of the affiliated service group associate in performing services for other parties;

(7) In the case of a management organization under § 414(m)(5):

(a) A description of the management functions, if any, performed by the employer for the member(s) (or possible member(s)) of the affiliated service group, or received by the employer from any other members (or possible members) of the group (including data explaining whether the management functions are performed on a regular and continuous basis) and whether or not it is unusual for such management functions to be performed by employees of organizations in the employer's business field in the United States;

(b) If management functions are performed by the employer for the member (or possible members) of the affiliated service group, a description of what part of the employer's business constitutes the performance of management functions for the member (or possible member) of the group (including the percentage of gross receipts derived from management activities as compared to the gross receipts from other activities); and

(8) A copy of any ruling issued by the Service on whether the employer is an affiliated service group; a copy of any prior determination letter that considered the effect of § 414(m); and, if known, a copy of any such ruling or determination letter issued to any other member (or possible member) of the same affiliated service group, accompanied by a statement as to whether the facts upon which the ruling or determination letter was based have changed.

**Required information for § 414(n) determination**

.07 A determination letter will be issued with respect to § 414(n) only if the employer requests such a determination and the application includes:

(1) A description of the nature of the business of the recipient organization;

(2) A copy of the relevant leasing agreement(s);

(3) A description of the function of all leased employees within the trade or business of the recipient organization (including data as to whether all leased employees are performing services on a substantially full-time basis);

(4) A description of facts and circumstances relevant to a determination of whether such leased employees' services are performed under primary direction or control by the recipient organization (including whether the leased employees are required to comply with instructions of the recipient about when, where, and how to perform the services, whether the services must be performed by particular persons, whether the leased employees are subject to the supervision of the recipient, and whether the leased employees must perform services in the order or sequence set by the recipient); and

(5) If the recipient organization is relying on any qualified plan(s) maintained by the employee leasing organization for purposes of qualification of the recipient organization's plan, a description of such plan(s) (including a description of the contributions or benefits provided for all leased employees which are attributable to services performed for the recipient organization, plan eligibility, and vesting.)

**SECTION 15. WAIVER OF MINIMUM FUNDING**

**Applicability of Rev. Proc. 2004-15**

.01 The procedures in Rev. Proc. 2004-15, 2004-1 C.B. 490, apply to the request for a waiver of the minimum funding requirement. Section 2 of that revenue procedure contains the procedures for obtaining waivers of the minimum funding standards in the instance of defined benefit plans. In order to provide maximum flexibility in requesting a waiver for a defined contribution pension plan, section 3 of that revenue procedure contains three alternative methods as described more fully in Rev. Proc. 2004-15. The third alternative is a request for a waiver of the minimum

funding requirement along with a determination letter request. Both of these requests are submitted by the applicant to the Office of Associate Chief Counsel (Tax Exempt and Government Entities). See section 5.15 of Rev. Proc. 2016–1, in this Bulletin, and section 3 of Rev. Proc. 2004–15.

**SECTION 16. SECTION  
401(h) AND § 420  
DETERMINATION  
LETTERS**

**Scope** .01 This section provides procedures for requesting determination letters (i) with respect to whether the requirements of § 401(h) are satisfied in a plan with retiree medical benefit features and (ii) on plan language that permits, pursuant to § 420, the transfer of assets in a defined benefit plan to a health benefit account described in § 401(h).

**Required information for § 401(h) Determination** .02 EP Determinations will issue a determination letter that considers whether the requirements of § 401(h) are satisfied in a plan with retiree medical benefit features only if the plan sponsor requests such a determination and the sponsor’s application includes, in addition to the application forms and any other material required by this revenue procedure, a cover letter that requests consideration of § 401(h). The cover letter must specifically state that consideration is being requested with regard to § 401(h) in addition to other matters under § 401(a) and must specifically state the location of plan provisions that satisfy the requirements of § 401(h). Part I of the checklist in the Appendix of this revenue procedure may be used to identify the location of relevant plan provisions.

**Required information for § 420 determination** .03 EP Determinations will consider the qualified status of certain plan language designed to comply with § 420 only if the plan sponsor requests such consideration with Form 5300. The cover letter must specifically state (i) whether consideration is being requested only with regard to § 420, or (ii) whether consideration is being requested with regard to § 420 in addition to other matters under § 401(a). (If consideration of other matters under § 401(a) is being requested, the application forms and other material required by this revenue procedure must also be submitted.) The cover letter must specifically state the location of plan provisions that satisfy each of the following requirements. Parts I and II of the checklist in the Appendix of this revenue procedure may be used to identify the location of relevant plan provisions.

(1) The plan must include a health benefits account as described in § 401(h).

(2) The plan must provide that transfers shall be limited to transfers of “excess assets” as defined in § 420(e)(2).

(3) The plan must provide that only one transfer may be made in a taxable year. However, for purposes of determining whether the rule in the preceding sentence is met, a plan may provide that a transfer will not be taken into account if it is a transfer that:

(a) Is made after the close of the taxable year preceding the employer’s first taxable year beginning after December 31, 1990, and before the earlier of (i) the due date (including extensions) for the filing of the return of tax for such preceding year, or (ii) the date such return is filed; and

(b) Does not exceed the expenditures of the employer for qualified current retiree health liabilities for such preceding taxable year.



(4) The plan must provide that the amount transferred shall not exceed the amount which is reasonably estimated to be the amount the employer will pay out (whether directly or through reimbursement) of the health benefit account during the taxable year of the transfer for “qualified current retiree health liabilities,” as defined in § 420(e)(1).

(5) The plan must provide that no transfer will be made after December 31, 2025.

(6) The plan must provide that any assets transferred, and any income allocable to such assets, shall be used only to pay qualified current retiree health liabilities for the taxable year of transfer.

(7) The plan must provide that any amounts transferred to a health benefits account (and income attributable to such amounts) which are not used to pay qualified current retiree health liabilities shall be transferred back to the defined benefit portion of the plan.

(8) The plan must provide that the amounts paid out of a health benefits account will be treated as paid first out of transferred assets and income attributable to those assets.

(9) The plan must provide that the accrued pension benefits for participants and beneficiaries must become nonforfeitable as if the plan had terminated immediately prior to the transfer (or in the case of a participant who separated during the 1-year period ending on the date of transfer immediately before such separation). In the case of a transfer described in § 420(b)(4) that relates to a prior year, the plan must provide that the accrued benefit of a participant who separated from service during the taxable year to which such transfer relates will be recomputed and treated as nonforfeitable immediately before such separation.

(10) The plan must provide that a transfer will be permitted only if each group health plan or arrangement under which health benefits are provided contains provisions satisfying § 420(c)(3). The plan must define “applicable employer cost”, “cost maintenance period”, and “benefit maintenance period”, as applicable, consistent with § 420(c)(3), as amended. If applicable, the provisions of the plan must also reflect the transition rule in § 535(c)(2) of the Tax Relief Extension Act of 1999 (TREA '99). The plan may provide that § 420(c)(3) is satisfied separately with respect to individuals eligible for benefits under Title XVIII of the Social Security Act at any time during the taxable year and with respect to individuals not so eligible.

(11) The plan must provide that transferred assets cannot be used for key employees (as defined in § 416(i)(1)).

## **PART II. INTERESTED PARTY NOTICE AND COMMENT**

### **SECTION 17. WHAT RIGHTS TO NOTICE AND COMMENT DO INTERESTED PARTIES HAVE?**

#### **Rights of interested parties**

.01 Persons who qualify as interested parties under § 1.7476–1(b), have the following rights:

(1) To receive notice, in accordance with section 18 below, that an application for an advance determination will be filed regarding the qualification of plans described in §§ 401, 403(a), 409 and/or 4975(e)(7);

- (2) To submit written comments with respect to the qualification of such plans to the Service;
- (3) To request the Department of Labor to submit a comment to the Service on behalf of the interested parties; and
- (4) To submit written comments to the Service on matters with respect to which the Department of Labor was requested to comment but declined.

**Comments by interested parties**

.02 Comments submitted by interested parties must be received by EP Determinations by the 45th day after the day on which the application for determination is received by EP Determinations. (However, see sections 17.03 and 17.04 for filing deadlines where the Department of Labor has been requested to comment.) Such comments must be in writing, signed by the interested parties or by an authorized representative of such parties (as provided in section 9.02(11) of Rev. Proc. 2016-4), addressed to:

Internal Revenue Service  
EP Determinations  
Attn: Customer Service Manager  
P.O. Box 2508  
Cincinnati, OH 45202

Comments must contain the following information:

- (1) The names of the interested parties making the comments;
- (2) The name and taxpayer identification number of the applicant for a determination;
- (3) The name of the plan, the plan identification number, and the name of the plan administrator;
- (4) Whether the parties submitting the comment are:
  - (a) Employees eligible to participate under the plan,
  - (b) Employees with accrued benefits under the plan, or former employees with vested benefits under the plan,
  - (c) Beneficiaries of deceased former employees who are eligible to receive or are currently receiving benefits under the plan,
  - (d) Employees not eligible to participate under the plan.
- (5) The specific matters raised by the interested parties on the question of whether the plan meets the requirements for qualification involving §§ 401 and 403(a), and how such matters relate to the interests of the parties making the comment; and
- (6) The address of the interested party submitting the comment (or if a comment is submitted jointly by more than one party, the name and address of a designated representative) to which all correspondence, including a notice of the Service's final determination with respect to qualification, should be sent. (The address designated for notice by the Service will also be used

by the Department of Labor in communicating with the parties submitting a request for comment.) The designated representative may be one of the interested parties submitting the comment or an authorized representative. If two or more interested parties submit a single comment and one person is not designated in the comment as the representative for receipt of correspondence, a notice of determination mailed to any interested party who submitted the comment shall be notice to all the interested parties who submitted the comment for purposes of § 7476(b)(5) of the Code.

#### **Requests for DOL to submit comments**

.03 A request to the Department of Labor to submit to EP Determinations a comment pursuant to section 3001(b)(2) of ERISA must be made in accordance with the following procedures.

(1) The request must be received by the Department of Labor by the 25th day after the day the application for determination is received by EP Determinations. However, if the parties requesting the Department to submit a comment wish to preserve the right to comment to EP Determinations in the event the Department declines to comment, the request must be received by the Department by the 15th day after the day the application for determination is received by EP Determinations.

(2) The request to the Department of Labor to submit a comment to EP Determinations must:

(a) Be in writing;

(b) Be signed as provided in section 17.02 above;

(c) Contain the names of the interested parties requesting the Department to comment and the address of the interested party or designated representative to whom all correspondence with respect to the request should be sent. See also section 17.02(6) above;

(d) Contain the information prescribed in section 17.02(2), (3), (4), (5) and (6) above;

(e) Indicate that the application was or will be submitted to EP Determinations at the address in section 6.15;

(f) Contain a statement of the specific matters upon which the Department's comment is sought, as well as how such matters relate to the interested parties making the request; and

(g) Be addressed as follows:

Deputy Assistant Secretary  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Avenue, N.W.  
Washington, D.C. 20210  
Attention: 3001 Comment Request

#### **Right to comment if DOL declines to comment**

.04 If a request described in 17.03 is made and the Department of Labor notifies the interested parties making the request that it declines to comment on a matter concerning qualification of the plan which was raised in the request, the parties submitting the request may still submit a comment to EP Determinations on such matter. The comment must be received by the later of the 45th day after the day the application for determination is received by EP Determinations or the 15th day after the day on which notification is given by the Department that it declines to submit a comment on such matter. (See section 17.07 for the date of notification.) In no event may the comment be received later than the 60th day after the day the application for determination was received. Such a comment must comply with the requirements of section 17.02 and include a statement that the comment is being submitted on matters raised in a request to the Department upon which the Department declined to comment.

**Confidentiality of comments**

.05 For rules regarding the confidentiality of contents of written comments submitted by interested parties to the Service pursuant to section 17.02 or 17.04, see § 601.201(o)(5) of the Statement of Procedural Rules.

**Availability of comments**

.06 For rules regarding the availability to the applicant of copies of all comments on the application submitted pursuant to section 17.01(1), (2), (3) and (4) of this revenue procedure, see § 601.201(o)(5) of the Statement of Procedural Rules.

**When comments are deemed made**

.07 An application for an advance determination, a comment to EP Determinations, or a request to the Department of Labor shall be deemed made when it is received by EP Determinations, or the Department. Notification by the Department that it declines to comment shall be deemed given when it is received by the interested party or designated representative. The notice described in section 18.01 below shall be deemed given when it is posted or sent to the person in the manner described in § 1.7476-2. In the case of an application, comment, request, notification, or notice that is sent by mail or a private delivery service that has been designated under § 7502(f), the date as of which it shall be deemed received will be determined under § 7502. However, if such an application, comment, request, notification, or notice is not received within a reasonable period from the date determined under § 7502, the immediately preceding sentence shall not apply.

**SECTION 18. WHAT ARE THE GENERAL RULES FOR NOTICE TO INTERESTED PARTIES?**

**Notice to interested parties**

.01 Notice that an application for an advance determination regarding the qualification of a plan that is described in §§ 401, 403(a), 409 and 4975(e)(7) and that is subject to § 410 is to be made must be given to all interested parties in the manner prescribed in § 1.7476-2(c) and in accordance with the requirements of this section. A notice to interested parties is deemed to be provided in a manner that satisfies § 1.7476-2(c) if the notice is delivered using an electronic medium under a system that satisfies the requirements of § 1.402(f)-1 Q&A-5.

**Time when notice must be given**

.02 Notice must be given not less than 10 days nor more than 24 days prior to the day the application for a determination is made. If, however, an application is returned to the applicant for failure to adequately satisfy the notification requirements with respect to a particular group or class of interested parties, the applicant need not cause notice to be given to those groups or classes of interested parties with respect to which the notice requirement was already satisfied merely because, as a result of the resubmission of the application, the time limitations of this subsection would not be met.

**Content of notice**

.03 The notice referred to in section 18.01 shall contain the following information:

- (1) A brief description identifying the class or classes of interested parties to whom the notice is addressed (e.g., all present employees of the employer, all present employees eligible to participate);
- (2) The name of the plan, the plan identification number, and the name of the plan administrator;
- (3) The name and taxpayer identification number of the applicant for a determination;
- (4) That an application for a determination as to the qualified status of the plan is to be made to the Service at the address in section 6.15, and stating whether the application relates to an initial qualification, a plan amendment, termination, or a partial termination;

(5) A description of the class of employees eligible to participate under the plan;

(6) Whether or not the Service has issued a previous determination as to the qualified status of the plan;

(7) A statement that any person to whom the notice is addressed is entitled to submit, or request the Department of Labor to submit, to EP Determinations, a comment on the question of whether the plan meets the requirements of § 401 or 403(a); that two or more such persons may join in a single comment or request; and that if such persons request the Department of Labor to submit a comment and the Department of Labor declines to do so with respect to one or more matters raised in the request, the persons may still submit a comment to EP Determinations with respect to the matters on which the Department declines to comment. The Pension Benefit Guaranty Corporation (PBGC) may also submit comments. In every instance where there is either a final adverse termination or a distress termination, the Service formally notifies the PBGC for comments;

(8) The specific dates by which a comment to EP Determinations or a request to the Department of Labor must be received in order to preserve the right of comment (see section 17 above);

(9) The number of interested parties needed in order for the Department of Labor to comment; and

(10) Except to the extent that the additional informational material required to be made available by sections 18.05 through 18.09 are included in the notice, a description of a reasonable procedure whereby such additional informational material will be available to interested parties (see section 18.04). (Examples of notices setting forth the above information, in a case in which the additional information required by sections 18.05 through 18.09 will be made available at places accessible to the interested parties, are set forth in the Exhibit attached to this revenue procedure.)

**Procedures for making information available to interested parties**

.04 The procedure referred to in section 18.03(10), whereby the additional informational material required by sections 18.05 through 18.09 will (to the extent not included in the notice) be made available to interested parties, may consist of making such material available for inspection and copying by interested parties at a place or places reasonably accessible to such parties, or supplying such material by using a method of delivery or a combination thereof that is reasonably calculated to ensure that all interested parties will have access to the materials, provided such procedure is immediately available to all interested parties, is designed to supply them with such additional informational material in time for them to pursue their rights within the time period prescribed, and is available until the earlier of: 1) the filing of a pleading commencing a declaratory judgment action under § 7476 with respect to the qualification of the plan; or 2) the 92nd day after the day the notice of final determination is mailed to the applicant. Reasonable charges to interested parties for copying and/or mailing such additional informational material are permissible.

**Information to be available to interested parties**

.05 Unless provided in the notice, or unless section 18.06 applies, there shall be made available to interested parties under a procedure described in section 18.04:

(1) An updated copy of the plan and the related trust agreement (if any); and

(2) The application for determination.

**Special rules if there are fewer than 26 participants**

.06 If there would be fewer than 26 participants in the plan, as described in the application (including, as participants, former employees with vested benefits under the plan, beneficiaries of deceased former employees currently receiving benefits under the plan, and employees who would be eligible to participate upon making mandatory employee contributions, if any), then in lieu of making the materials described in section 18.05 available to interested parties who are not participants (as described above), there may be made available to such interested parties a document containing the following information:

(1) A description of the plan's requirements respecting eligibility for participation and benefits and the plan's benefit formula;

(2) A description of the provisions providing for nonforfeitable benefits;

(3) A description of the circumstances which may result in ineligibility, or denial or loss of benefits;

(4) A description of the source of financing of the plan and the identity of any organization through which benefits are provided;

(5) A description of any optional forms of benefits described in § 411(d)(6) which have been reduced or eliminated by plan amendment; and

However, once an interested party or designated representative receives a notice of final determination, the applicant must, upon request, make available to such interested party (whether or not the plan has fewer than 26 participants) an updated copy of the plan and related trust agreement (if any) and the application for determination.

**Information described in § 6104(a)(1)(D) should not be included**

.07 Information of the type described in § 6104(a)(1)(D) should not be included in the application, plan, or related trust agreement submitted to the Service. Accordingly, such information should not be included in any of the material required by section 18.05 or 18.06 to be available to interested parties.

**Availability of additional information to interested parties**

.08 Unless provided in the notice, there shall be made available to interested parties under a procedure described in section 18.04, any additional document dealing with the application which is submitted by or for the applicant to the Service, or furnished by the Service to the applicant; provided, however, if there would be fewer than 26 participants in the plan as described in the application (including, as participants, former employees with vested benefits under the plan, beneficiaries of deceased former employees currently receiving benefits under the plan, and employees who would be eligible to participate upon making mandatory employee contributions, if any), such additional documents need not be made available to interested parties who are not participants (as described above) until they, or their designated representative, receive a notice of final determination. The applicant may also withhold from such inspection and copying information described in § 6104(a)(1)(C) and (D) which may be contained in such additional documents.

**Availability of notice to interested parties**

.09 Unless provided in the notice, there shall be made available to all interested parties under a procedure described in section 18.04 the material described in sections 17.02 through 17.07 above.

## PART III. PROCESSING DETERMINATION LETTER REQUESTS

### SECTION 19. HOW DOES THE SERVICE HANDLE DETERMINATION LETTER REQUESTS?

#### Oral advice

##### .01 Oral advice.

(1) The Service does not issue determination letters on oral requests. However, personnel in EP Determinations ordinarily will discuss with taxpayers or their representatives inquiries regarding: substantive tax issues; whether the Service will issue a determination letter on particular issues; and questions relating to procedural matters about submitting determination letter requests. Any discussion of substantive issues will be at the discretion of the Service on a time available basis, will not be binding on the Service, and cannot be relied upon as a basis of obtaining retroactive relief under the provisions of § 7805(b). A taxpayer may seek oral technical assistance from a taxpayer service representative when preparing a return or report, under established procedures. Oral advice is advisory only, and the Service is not bound to recognize it in the examination of the taxpayer's return.

(2) The advice or assistance furnished, whether requested by personal appearance, telephone, or correspondence will be limited to general procedures, or will direct the inquirer to source material, such as pertinent Code provisions, regulations, revenue procedures, and revenue rulings that may aid the inquirer in resolving the question or problem.

#### Conferences

.02 EP Determinations may grant a conference upon written request from a taxpayer or his representative, provided the request shows that a substantive plan, amendment, etc., has been developed for submission to the Service, but that special problems or issues are involved, and EP Determinations concludes that a conference would be warranted in the interest of facilitating review and determination when the plan, etc., is formally submitted. See section 6.18 regarding the right to a status conference on applications pending for at least 270 days.

#### Determination letter based solely on administrative record

##### .03 Administrative Record

(1) In the case of a request for a determination letter, the determination of EP Determinations or the Appeals office on the qualification or non-qualification of the retirement plan shall be based solely upon the facts contained in the administrative record. The administrative record shall consist of the following:

(a) The request for determination, the retirement plan and any related trust instruments, and any written modifications or amendments made by the applicant during the proceedings within the Service;

(b) All other documents submitted to the Service by, or on behalf of, the applicant with respect to the request for determination;

(c) All written correspondence between the Service and the applicant with respect to the request for determination and any other documents issued to the applicant from the Service;

(d) All written comments submitted to the Service pursuant to sections 17.01(2), (3), and (4) above, and all correspondence relating to comments submitted between the Service and persons (including PBGC and the Department of Labor) submitting comments pursuant to sections 17.01(2), (3), and (4) above; and

(e) In any case in which the Service makes an investigation regarding the facts as represented or alleged by the applicant in the request for determination or in comments submitted pursuant to sections 17.01(2), (3), and (4) above, a copy of the official report of such investigation.

(2) The administrative record shall be closed upon the earlier of the following events:

(a) The date of mailing of a notice of final determination by the Service with respect to the application for determination; or

(b) The filing of a petition with the United States Tax Court seeking a declaratory judgment with respect to the retirement plan.

(3) Any oral representation or modification of the facts as represented or alleged in the application for determination or in a comment filed by an interested party, which is not reduced to writing shall not become a part of the administrative record and shall not be taken into account in the determination of the qualified status of the retirement plan by EP Determinations or the Appeals office.

**Notice of final determination**

.04 In the case of final determination, the notice of final determination:

(1) Shall be the letter issued by EP Determinations or the Appeals office which states that the applicant's plan satisfies the qualification requirements of the Code. The favorable determination letter will be sent by certified or registered mail where either an interested party, the Department of Labor, or the PBGC has commented on the application for determination.

(2) Shall be the letter issued, by certified or registered mail, by EP Determinations or the Appeals office subsequent to a letter of proposed determination, stating that the applicant's plan fails to satisfy the qualification requirements of the Code.

**Issuance of the notice of final determination**

.05 EP Determinations or the appeals office will send the notice of final determination to the applicant, to the interested parties who have previously submitted comments on the application to the Service (or to the persons designated by them to receive such notice), to the Department of Labor in the case of a comment submitted by the Department, and to PBGC if it has filed a comment.

**SECTION 20.  
EXHAUSTION OF  
ADMINISTRATIVE  
REMEDIES**

**In general**

.01 For purposes of § 7476(b)(3), a petitioner shall be deemed to have exhausted the administrative remedies available within the Service upon the completion of the steps described in sections 20.02, 20.03, 20.04, or 20.05 subject, however, to sections 20.06 and 20.07. If applicants, interested parties, or the PBGC do not complete the applicable steps described below, they will not have exhausted their respective available administrative remedies as required by § 7476(b)(3) and will, thus, be precluded from seeking declaratory judgment under § 7476 except to the extent that section 20.05 or 20.08 applies.

**Steps for exhausting administrative remedies**

.02 In the case of an applicant, with respect to any matter relating to the qualification of a plan, the steps referred to in section 20.01 are:



- (1) Filing a completed application with EP Determinations pursuant to this revenue procedure;
- (2) Complying with the requirements pertaining to notice to interested parties as set forth in this revenue procedure and § 1.7476-2 of the regulations; and,
- (3) Appealing to the appropriate Appeals office pursuant to paragraph 601.201(o)(6) of the Statement of Procedural Rules, in the event a notice of proposed adverse determination is issued by EP Determinations.

**Applicant's request for § 7805(b) relief**

.03 Consideration of relief under § 7805(b) will be included as one of the applicant's steps in exhausting administrative remedies only if the applicant requests EP Rulings and Agreements to seek technical advice from the Office of Associate Chief Counsel (Tax Exempt and Government Entities) on the applicability of such relief. The applicant's request must be made in writing according to the procedures for requesting technical advice (*see* section 14 of Rev. Proc. 2016-2).

**Interested parties**

.04 In the case of an interested party or the PBGC, the steps referred to in section 20.01 are, with respect to any matter relating to the qualification of the plan, submitting to EP Determinations a comment raising such matter in accordance with section 17.01(2) above, or requesting the Department of Labor to submit to EP Determinations a comment with respect to such matter in accordance with section 17.01(3) and, if the Department of Labor declines to comment, submitting the comment in accordance with section 17.01(4) above, so that it may be considered by the Service through the administrative process.

**Deemed exhaustion of administrative remedies**

.05 An applicant, an interested party, or the PBGC shall in no event be deemed to have exhausted administrative remedies prior to the earlier of:

- (1) The completion of those steps applicable to each as set forth in sections 20.01, 20.02, 20.03 or 20.04, which constitute their administrative remedies; or,
- (2) The expiration of the 270-day period described in § 7476(b)(3), which period shall be extended in a case where there has not been a completion of all the steps referred to in section 20.02 and the Service has proceeded with due diligence in processing the application for determination.

**Service must act on appeal**

.06 The step described in section 20.02(3) will not be considered completed until the Service has had a reasonable time to act upon the appeal.

**Service must act on § 7805(b) request**

.07 Where the applicant has requested EP Rulings and Agreements to seek technical advice on the applicability of § 7805(b) relief, the applicant's administrative remedies will not be considered exhausted until the Office of Associate Chief Counsel has had a reasonable time to act upon the request for technical advice.

**Effect of technical advice request**

.08 The step described in section 20.02(3) will not be available or necessary with respect to any issue on which technical advice has been obtained from the Office of Associate Chief Counsel.

**SECTION 21. WHAT EFFECT WILL AN EMPLOYEE PLAN DETERMINATION LETTER HAVE?**

**Scope of reliance on determination letter**

.01 (1) A determination letter issued pursuant to this revenue procedure contains only the opinion of the Service as to the qualification of the particular plan involving the provisions of §§ 401 and 403(a) and the status of a related trust, if any, under § 501(a). Such a determination letter is based on the facts and demonstrations presented to the Service in connection with the application for the determination letter and may not be relied upon after a change in material fact or the effective date of a change in law, except as provided. The Service may determine, based on the application form, the extent of review of the plan document. Failure to disclose a material fact or misrepresentation of a material fact adversely affects the reliance that would otherwise be obtained through the issuance by the Service of a favorable determination letter. Similarly, failure to accurately provide any of the information called for on any form required by this revenue procedure may result in no reliance. Applicants are advised to retain copies of all supporting data submitted with their applications. Failure to do so may limit the scope of reliance.

(2) A determination letter issued to a sponsor of an individually designed plan on or after January 4, 2016 will not include an expiration date.

**Sections 13 and 14 of Rev. Proc. 2016-4 applicable**

.02 Except as otherwise provided in this section, determination letters are governed, generally, by the provisions of sections 13 and 14 of Rev. Proc. 2016-4.

**Effect of subsequent publication of revenue ruling, etc.**

.03 The prior qualification of a plan as adopted by an employer will not be considered to be adversely affected by the publication of a revenue ruling, a revenue procedure, or an administrative pronouncement within the meaning of § 1.6661-3(b)(2) of the regulations where:

(1) The plan was the subject of a favorable determination letter and the request for that letter contained no misstatement or omission of material facts;

(2) The facts subsequently developed are not materially different from the facts on which the determination letter was based;

(3) There has been no change in the applicable law; and

(4) The employer that established the plan acted in good faith in reliance on the determination letter.

However, all such plans must be amended to comply with the published guidance for subsequent years, in accordance with the rules set forth in Rev. Proc. 2007-44. See, in particular, Part II of that revenue procedure.

**Determination letter does not apply to taxability issues**

.04 While a favorable determination letter may serve as a basis for determining deductions for employer contributions thereunder, it is not to be taken as an indication that contributions are necessarily deductible as made. This latter determination can be made only upon an examination of the employer's tax return, in accordance with the limitations, and subject to the conditions of, § 404.

**SECTION 22. EFFECT  
ON OTHER REVENUE  
PROCEDURES**

Rev. Proc. 2015–6 is superseded.

**SECTION 23.  
EFFECTIVE DATE**

This revenue procedure is effective February 1, 2016, except that section 21.01(2) relating to expiration dates in determination letters is effective on January 4, 2016.

**SECTION 24.  
PAPERWORK  
REDUCTION ACT**

The collections of information contained in this revenue procedure have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3507) under control number 1545-1520.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number.

The collections of information in this revenue procedure are in sections 6.05, 6.13, 6.16, 6.17, 6.19, 7.04, 13, 14, 15, 16, 19.02, and 21.03(4). This information is required to determine plan qualification. This information will be used to determine whether a plan is entitled to favorable tax treatment. The collections of information are mandatory. The likely respondents are businesses or other for-profit institutions.

The estimated total annual reporting and/or recordkeeping burden is 30,827 hours.

The estimated annual burden per respondent/recordkeeper varies from 1 hour to 40 hours, depending on individual circumstances, with an estimated average of 2.02 hours. The estimated number of respondents and/or recordkeepers is 15,261.

The estimated annual frequency of responses (used for reporting requirements only) is once every three years.

Books or records relating to a collection of information must be retained as long as their contents may become material in the administration of any internal revenue law. Generally tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

**DRAFTING  
INFORMATION**

The principal author of this revenue procedure is Maxine Terry of the Office of Associate Chief Counsel (Tax Exempt and Government Entities). For further information regarding this revenue procedure, contact Maxine Terry at (202)317-4102 (not a toll-free number).

**EXHIBIT: SAMPLE  
NOTICE TO  
INTERESTED PARTIES**

The Exhibit set forth below, may be used to satisfy the requirements of section 18 of this revenue procedure.

**EXHIBIT: SAMPLE NOTICE TO INTERESTED PARTIES**

1. Notice To: \_\_\_\_\_ [describe class or classes of interested parties]

An application is to be made to the Internal Revenue Service for an advance determination on the qualification of the following employee pension benefit plan:

2. \_\_\_\_\_  
(name of plan)

3. \_\_\_\_\_  
(plan number)

4. \_\_\_\_\_  
(name and address of applicant)

5. \_\_\_\_\_  
(applicant EIN)

6. \_\_\_\_\_  
(name and address of plan administrator)

7. The application will be filed on \_\_\_\_\_ for an advance determination as to whether the plan meets the qualification requirements of § 401 or § 403(a) of the Internal Revenue Code of 1986, with respect to the plan's \_\_\_\_\_ [initial qualification, amendment, termination, or partial termination]. The application will be filed with:

Internal Revenue Service  
Attention: EP Determination Letters  
Stop 31  
P.O. Box 12192  
Covington, KY 41012-0192

8. The employees eligible to participate under the plan are:

9. The Internal Revenue Service \_\_\_\_\_ [has/has not] previously issued a determination letter with respect to the qualification of this plan.

**RIGHTS OF INTERESTED PARTIES**

10. You have the right to submit to EP Determinations, at the above address, either individually or jointly with other interested parties, your comments as to whether this plan meets the qualification requirements of the Internal Revenue Code. Your comments to EP Determinations may be submitted to:

Internal Revenue Service  
EP Determinations  
Attn: Customer Service Manager  
P.O. Box 2508  
Cincinnati, OH 45202

You may instead, individually or jointly with other interested parties, request the Department of Labor to submit, on your behalf, comments to EP Determinations regarding qualification of the plan. If the Department declines to comment on all or some of the matters you raise, you may, individually, or jointly if your request was made to the Department jointly, submit your comments on these matters directly to EP Determinations at the Cincinnati address above.

**REQUESTS FOR COMMENTS BY THE DEPARTMENT OF LABOR**

11. The Department of Labor may not comment on behalf of interested parties unless requested to do so by the lesser of 10 employees or 10 percent of the employees who qualify as interested parties. The number of persons needed for the Department to comment with respect to this plan is \_\_\_\_\_. If you request the Department to comment, your request must be in writing and must specify the matters upon which comments are requested, and must also include:

- (1) the information contained in items 2 through 5 of this Notice; and
- (2) the number of persons needed for the Department to comment.

A request to the Department to comment should be addressed as follows:

Deputy Assistant Secretary  
Employee Benefits Security Administration  
U.S. Department of Labor,  
200 Constitution Avenue, N.W.  
Washington, D.C. 20210  
Attention: 3001 Comment Request

#### COMMENTS TO THE INTERNAL REVENUE SERVICE

12. Comments submitted by you to EP Determinations must be in writing and received by it by \_\_\_\_\_. However, if there are matters that you request the Department of Labor to comment upon on your behalf, and the Department declines, you may submit comments on these matters to EP Determinations to be received by it within 15 days from the time the Department notifies you that it will not comment on a particular matter, or by \_\_\_\_\_, whichever is later, but not after \_\_\_\_\_. A request to the Department to comment on your behalf must be received by it by \_\_\_\_\_ if you wish to preserve your right to comment on a matter upon which the Department declines to comment, or by if you wish to waive that right.

#### ADDITIONAL INFORMATION

13. Detailed instructions regarding the requirements for notification of interested parties may be found in sections 17 and 18 of Rev. Proc. 2016-6. Additional information concerning this application (including, where applicable, an updated copy of the plan and related trust; the application for determination; any additional documents dealing with the application that have submitted to the Service; and copies of section 17 of Rev. Proc. 2016-6 are available at \_\_\_\_\_ during the hours of \_\_\_\_\_ for inspection and copying. (There is a nominal charge for copying and/or mailing.)

## APPENDIX

### Checklist

As part of a § 401(h) or § 420 determination letter request described in section 16 of this revenue procedure the following checklist may be completed and attached to the determination letter request. If the request relates to § 401(h) but not to § 420, complete Part I only. If the request relates to § 420, complete Parts I and II.

<b>PART I</b>	<i>CIRCLE</i>	<i>SECTION</i>
1. Does the Plan contain a medical benefits account within the meaning of § 401(h) of the Code? If the medical benefits account is a new provision, items “a” through “h” should be completed.	Yes No	___
a. Does the medical benefits account specify the medical benefits that will be available and contain provisions for determining the amount that will be paid?	Yes No	___
b. Does the medical benefits account specify who will benefit?	Yes No	___
c. Does the medical benefits account indicate that such benefits, when added to any life insurance protection in the Plan, will be subordinate to retirement benefits? (This requirement will not be satisfied unless the amount of actual contributions to provide § 401(h) benefits (when added to actual contributions for life insurance protection under the Plan) does not exceed 25 percent of the total actual contributions to the Plan (other than contributions to fund past service credits), determined on an aggregate basis since the inception of the § 401(h) arrangement.)	Yes No	___
d. Does the medical benefits account maintain separate accounts with respect to contributions to key employees (as defined in § 416(i)(1) of the Code) to fund such benefits?	Yes No	___
e. Does the medical benefits account state that amounts contributed must be reasonable and ascertainable?	Yes No	___
f. Does the medical benefits account provide for the impossibility of diversion prior to satisfaction of liabilities (other than item “7” below)?	Yes No	___
g. Does the medical benefits account provide for reversion upon satisfaction of all liabilities (other than item “7” below)?	Yes No	___
h. Does the medical benefits account provide that forfeitures must be applied as soon as possible to reduce employer contributions to fund the medical benefits?	Yes No	___
<b>PART II</b>		
2. Does the Plan limit transfers to “Excess Assets” as defined in § 420(e)(2) of the Code?	Yes No	___
3. Does the Plan provide that only one transfer may be made in a taxable year (except with regard to transfers relating to prior years pursuant to § 420(b)(4) of the Code)?	Yes No	___
4. Does the Plan provide that the amount transferred shall not exceed the amount reasonably estimated to be paid for qualified current retiree health liabilities?	Yes No	___
5. Does the Plan provide that no transfer will be made after December 31, 2025?	Yes No	___
6. Does the Plan provide that transferred assets and income attributable to such assets shall be used only to pay qualified current retiree health liabilities for the taxable year of transfer?	Yes No	___

- |  |        |     |
|--|--------|-----|
| 7. Does the Plan provide that any amounts transferred (plus income) that are not used to pay qualified current retiree health liabilities shall be transferred back to the defined benefit portion of the Plan?  | Yes No | ___ |
| 8. Does the Plan provide that amounts paid out of a health benefits account will be treated as paid first out of transferred assets and income attributable to those assets?   | Yes No | ___ |
| 9. Does the Plan provide that participants' accrued benefits become nonforfeitable on a termination basis (i) immediately prior to transfer, or (ii) in the case of a participant who separated within 1 year before the transfer, immediately before such separation? | Yes No | ___ |
| 10. In the case of transfers described in § 420(b)(4) of the Code relating to 1990, does the Plan provide that benefits will be recomputed and become nonforfeitable for participants who separated from service in such prior year as described in § 420(c)(2)?       | Yes No | ___ |
| 11. Does the Plan provide that transfers will be permitted only if each group health plan or arrangement contains provisions satisfying § 420(c)(3) of the Code, as amended?   | Yes No | ___ |
| 12. Does the Plan define "applicable employer cost", "cost maintenance period" and "benefit maintenance period", as needed, consistently with § 420(c)(3) of the Code, as amended?   | Yes No | ___ |
| 13. Do the Plan's provisions reflect the transition rule in section 535(c)(2) of TREA'99, if applicable?   | Yes No | ___ |
| 14. Does the Plan provide that transferred assets cannot be used for key employees?  | Yes No | ___ |

\_\_\_\_\_