

Internal Revenue Service's Semiannual Regulatory Agenda			
Title		Description/Purpose	Timetable
P R O P O S E D R U L E S T A G E	Highly Compensated Employee	Provide the definition of highly compensated employee.	Notice of Proposed Rulemaking expected by December 2004.
	Normal Retirement Age for Pension Plans	Provide guidance regarding the determination of normal retirement age in a pension plan, including a money purchase pension plan, target benefit plan and defined benefit plan. Also provide IRC §411(d)(6) relief for amendments that modify a pension plan's normal retirement age to conform with the proposed regulation.	Notice of Proposed Rulemaking expected by December 2004.
	Deductibility of Employer Contributions for Deferred Compensation	Update and clarify the general rules for deductibility of employer contributions to qualified retirement plans and other deferred compensation arrangements.	Notice of Proposed Rulemaking expected to be issued by December 2004.
	Deemed IRAs in Qualified Retirement Plans	Provide guidance on new IRC section 408(q) relating to deemed IRAs in qualified retirement plans. (The regulation will provide rules under which the accounts or annuities will be treated as Roth or traditional IRAs as applicable.)	Notice of Proposed Rulemaking expected to be issued by December 2004. Temporary rules expected to be issued by December 2004.
	Section 403(b) Plans	Revise and update the current §403(b) regulations to reflect the numerous statutory revisions since these regulations were first promulgated in 1964.	Notice of Proposed Rulemaking expected to be issued by December 2004.
	Determination of Single-Sum Distributions from Cash Balance Plans	Modify the rules for the determination of minimum single-sum distributions from cash balance pension plans.	Notice of Proposed Rulemaking expected to be issued by December 2004. (It is not clear whether the IRS's decision to withdraw other cash balance regulations will affect the status of this project.)
P R	Value of Life Insurance When Distributed from a Qualified Retirement Plan	Provide guidance concerning the amount includible in a distributee's income when certain life insurance and annuity contracts are distributed by a qualified retirement plan.	Notice of Proposed Rulemaking expected to be issued by December 2004.

Internal Revenue Service's Semiannual Regulatory Agenda			
Title		Description/Purpose	Timetable
O P O S E D R U L E S T A G E	Exclusion of Employees of 501(c)(3) Organization in 401(k) and 401(m) Plans	Amend current regulations under IRC §410(b) to allow a §401(k) plan (or a §401(m) plan provided under the same general arrangement as the §401(k) plan) to treat employees of tax-exempt §501(c)(3) organization who are eligible to make salary reduction contributions to a §403(b) annuity as excludable employees for purposes of the minimum coverage test.	Notice of Proposed Rulemaking expected to be issued by December 2004.
	Deemed IRAs in Governmental Plans/Qualified Nonbank Trustee Rules (Temporary)	Clarify that governmental entities do not have to satisfy the nonbank trustee requirements with respect to deemed IRAs they maintain, and provide that governmental entities must demonstrate in writing that they will administer the trust in a manner consistent with the requirements of IRC §408.	Temporary Regulation expected to be issued by July 2004.
	Current Liability Interest Rate Under §412(b)(5)	Provide rules regarding the current liability interest rate under IRC §412(b)(5).	Notice of Proposed Rulemaking and Temporary Regulation expected to be issued by December 2004.
	Guidance on Phased Retirement	Lay out rules for establishing a bona fide phased retirement program, which generally would provide employees who are at or near eligibility for retirement with the opportunity to work a reduced schedule and receive a distribution or a proportionate share of their pension benefits based on a "partial retirement."	Notice of Proposed Rulemaking expected by October 2004.

Internal Revenue Service's Semiannual Regulatory Agenda			
Title		Description/Purpose	Timetable
F I N A L R U L E S T A G E	Definition of "Highly Compensated Employee"	Final regulations pursuant to IRC §414(q), which defines the term "highly compensated employee."	Final action expected by December 2004.
	Cash or Deferred Arrangements	Update and revise regulations on qualified cash or deferred arrangements, matching contributions, and employee contributions.	Notice of Proposed Rulemaking issued July 17, 2003 (68 FR 42476). Final action and Temporary Regulation expected by December 2004.
	HIPAA Portability	Provide guidance relating to limitations on pre-existing condition exclusions and special enrollment rules and on plans and benefits not subject to these rules.	Notice of Proposed Rulemaking issued April 8, 1997 (62 FR 16977). Final action expected by September 2004.
	HIPAA General Nondiscrimination	Provide guidance on HIPAA rules prohibiting group health plans from discriminating against individuals with respect to eligibility, premiums, etc., on the basis of any health factor.	Notice of Proposed Rulemaking issued January 8, 2001 (66 FR 1435). Final action expected by December 2004.
	HIPAA Nondiscrimination Exception for Church Plans	Provide guidance on the exception for certain grandfathered church plans from the general rule requiring group health plans not to discriminate in rules for eligibility on the basis of any health factor.	Notice of Proposed Rulemaking issued January 10, 2001 (66 FR 1437). Final action expected by December 2004.
	HIPAA Nondiscrimination Exception for Bona Fide Wellness Programs	Provide guidance regarding the exception for certain wellness programs to the general rule imposed on group health plans not to require a higher premium or contribution from an individual than from a similarly situated individual based on any health factor.	Notice of Proposed Rulemaking issued January 8, 2001 (66 FR 1421). Final action expected by December 2004.
	Tax Treatment of Cafeteria Plans	Provide information about the tax treatment of cafeteria plans.	Notice of Proposed Rulemaking issued January 10, 2001 (66 FR 1923). Final action expected by December 2004.

Internal Revenue Service's Semiannual Regulatory Agenda			
Title		Description/Purpose	Timetable
F I N A L R U L E S T A G E	Reductions of Accruals and Allocations Because of Increased Age	Prescribe rules regarding the requirement that accruals and allocations under qualified retirement plans cannot be reduced because of the attainment of any age.	Notice of Proposed Rulemaking issued December 11, 2002 (67 FR 76123). Withdrawn on June 15.
	Minimum Distribution Rules	Provide guidance on required minimum distributions from defined benefit plans and annuity contracts.	Notice of Proposed Rulemaking issued April 17, 2002 (67 FR 18834). Final Regulation issued June 15, 2004 (69 FR 33288).
	Statutory Stock Options	Provide guidance on applying FICA, FUTA, and income tax withholding requirements to statutory stock options.	Notice of Proposed Rulemaking issued November 13, 2001 (66 FR 57023). Final action expected by December 2004. (In Notice 2002-47, IRS announced an indefinite extension of its moratorium on applying FICA and FUTA to statutory stock options.)
	Disclosure of Relative Value of Distribution Forms	Specify the disclosures that must be made to participants in qualified pension plans to describe the relative value of the available optional forms of benefit.	Notice of Proposed Rulemaking issued October 7, 2002 (67 FR 62417). Final action expected by December 2004.

Internal Revenue Service's Semiannual Regulatory Agenda			
Title		Description/Purpose	Timetable
F I N A L R U L E S T A G E	Statutory Stock Options	Provide guidance on creating and maintaining statutory stock option plans.	Notice of Proposed Rulemaking issued June 9, 2003 (68 FR 34344). Final action expected by August 2004.
	Application of Nondiscrimination Cross-Testing Rules to Cash Balance Plans	Provide guidance on applying certain nondiscrimination requirements to cash balance pension plans.	Notice of Proposed Rulemaking issued December 11, 2002 (67 FR 76123). (Portion of proposed regulation relating to cross-testing withdrawn April 7, 2003. Remainder of Proposed Regulation withdrawn June 15, 2004.) Final action expected by December 2004. (It is not clear whether the IRS's decision to withdraw other cash balance regulations will affect the status of this project.)
	Section 411(d)(6) Protected Benefits	Provide guidance relating to IRC §411(d)(6) regarding the elimination of certain early retirement benefits, retirement-type subsidies, and optional forms of benefit (§411(d)(6) protected benefits), and address both: 1) when these benefits result in significant burdens and complexities for plans and their participants; and 2) when such benefits are of de minimis value to participants.	Notice of Proposed Rulemaking issued March 24, 2004 (69 FR 13769). Final action expected by December 2004.
	Elimination of Forms of Distribution in Defined Contribution Plans	Amend the §411(d)(6) regulations to conform to the amendments made by EGTRRA, in accordance with §411(d)(6)(E), relating to the elimination of forms of distribution in defined contribution plans.	Notice of Proposed Rulemaking issued July 8, 2003 (68 FR 40581). Final action expected by July 2004.