

	
Employee Plans News August 10, 2020	
Useful Links Correcting Plan Errors Retirement Plans Determination, Opinion and Advisory Letters Examinations and Compliance Checks Contact Us E-Mail Your Retirement Plan Comments Other IRS Resources Compliance & Enforcement Contact My Local Office Forms & Pubs Frequently Asked Questions News Taxpayer Advocate Where to File	Defined Contribution 3rd Cycle filings for ESOPs Announcement 2020-7 (PDF) opened the 3rd cycle submission period for employers with eligible defined contribution (DC) plans to apply for a determination letter using Form 5307 starting August 1, 2020, through July 31, 2022. The 3rd DC cycle includes Employee Stock Ownership Plans (ESOPs) for the first time. The Form 5307 is being updated for the addition of ESOPs to the program; however, it won't be available for the start of the 3rd cycle. Therefore, ESOP applications submitted on the current Form 5307 should be completed as follows: • Question 5a should be marked "6" - profit sharing plan, • The cover letter should state: ◦ the submission is for an ESOP, ◦ if the plan sponsor is a S or C corporation, and ◦ if there was a change to the corporate status (from S to C or C to S revocation/election). If so, provide the effective date of such change. ◦ This request is limited to ESOP applications submitted on the current Form 5307 until the revised Form 5307 is available. Providing the information above will minimize the need for follow up correspondence when reviewing applications on the current Form 5307. 3rd Cycle Pre-approved Defined Benefit Submission Window Opens August 1, 2020 The IRS issued Revenue Procedure 2020-10 (PDF) in December 2019 that established the on-cycle submission period for pre-approved defined benefit plans. It enables plan providers to submit applications for opinion letters on 3rd cycle pre-approved defined benefit plans starting August 1, 2020 through July 31, 2021. Please note the following when filing your 3rd cycle submission: • We request that you submit applications by thumb or flash drive instead of submitting large paper files. Save the documents in Microsoft Word or Adobe Acrobat PDF format. We strongly encourage you to take advantage of this electronic submission method. We also ask that you continue submitting paper checks and paper Forms 8717-A for your fees. • We would also request a redline copy of your plan document for changes made since the last cycle. This will greatly assist in quicker review by the IRS. • The Cumulative List for the 3rd cycle was published in Notice 2020-14 (PDF) and will be the basis for our review of 3rd cycle submissions. The List of Required Modifications (LRM) can be used to help draft your plan. If you have any questions or concerns which can't be answered from a review of Rev. Proc. 2017-41 (PDF), please contact either Angelo Noe at angelo.c.noe@irs.gov , or Milo Atlas at milo.s.atlas@irs.gov. Find answers to many retirement plan questions on IRS.gov at Retirement Plans and Retirement Plan Forms and Publications. If you need help with an account-specific question, basic information about retirement plan forms or the status of pending applications, call our Customer Account Services at 877-829-5500. If you know someone who might want to subscribe to this mailing list, please forward this message to them so they can subscribe. This message was distributed automatically from the mailing list Employee Plans News. Please do not reply to this message.