

MEMORANDUM

TO: All Retirement Boards

FROM: John W. Parsons, Esq., Executive Director

RE: IRS Determination Letters

DATE: February 19, 2020

Each of the 104 retirement systems constituted under G.L. c. 32 has been determined by the Internal Revenue Service (“IRS”) to be a qualified plan. All of the systems received favorable Determination Letters from the IRS in 2010 and 2014.

The most recent Determination Letters in regard to all Chapter 32 plans were issued between August 12 and August 15, 2014, and all bear an expiration date of January 31, 2019. However, this expiration date should be disregarded, as expiration dates included in Determination Letters issued prior to January 4, 2016 are no longer operative.

IRS Revenue Procedure 2016-37, which was generally effective on January 1, 2017, made changes to the Determination Letter process for individually designed plans.

Revenue Procedure 2016-37, Section 13, provides in its entirety as follows:

- .01 Rev. Proc. 2016–6 provides that, effective as of January 4, 2016, determination letters issued to individually designed plans will no longer contain an expiration date.
- .02 Under this revenue procedure, expiration dates included in determination letters issued prior to January 4, 2016, are no longer operative.
- .03 In general, a plan sponsor that maintains a qualified plan for which a favorable determination letter has been issued and that is otherwise entitled to rely on the determination letter may not continue to rely on the determination letter with respect to a plan provision that is subsequently amended or that is subsequently affected by a change in law. However, a plan sponsor may continue to rely on a



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determination letter with respect to plan provisions that are not amended or affected by a change in law. Reliance on determination letters is discussed in section 13 of Rev. Proc. 2016-4, 2016-1 I.R.B. 142 (updated annually) and section 21.01 of Rev. Proc. 2016-6, 2016-1 I.R.B. 200 (updated annually).

Thus, the Determination Letters we received in August of 2014 do not have an expiration date and are considered current Determination Letters.

If you have any questions about this, please contact General Counsel Judith Corrigan at Extension 904.