



News Release

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SPARK INSTITUTE ASK IRS FOR GUIDANCE ON 403(b) PROTOTYPE PLAN AND USE OF THE ERROR CORRECTION PROGRAM

SIMSBURY, CT, August 13 – Earlier today The SPARK Institute submitted a request for guidance to the Internal Revenue Service (“IRS”) regarding the pre-approved 403(b) plans program (Rev. Proc. 2013-22) and the application of the revised error correction program, the Employee Plans Compliance Resolution System (Rev. Proc. 2013-12) (“EPCRS”), to 403(b) plans. “The 403(b) prototype plan and EPCRS programs will be useful to plan sponsors and their service providers,” said Larry Goldbrum, General Counsel of The SPARK Institute. “Our request seeks clarification regarding a number of issues and makes recommendations that are intended to make these programs as available as possible to the broadest segment of the 403(b) community,” he added.

The SPARK Institute’s letter covers matters relating to vesting, mandatory pre-tax employee contributions, required minimum distributions, the relationship between plan terms and conflicting investment arrangement provisions, and others. Evan Giller, of Giller & Calhoun, who worked with The SPARK Institute on the letter, stated that “Guidance regarding the prototype plan program is needed because the design of existing 403(b) plans might preclude some plans from being able to meet the requirements of the prototype program in its current form. Similarly, the request seeks to have the EPCRS program interpreted in a way that takes into account the unique aspects of 403(b) plans so that plan sponsors can correct errors as efficiently and cost effectively as possible.

The letter submitted to the IRS is available on The SPARK Institute’s website at www.sparkinstitute.org/comments-and-materials.php.

The SPARK Institute represents the interests of a broad based cross section of retirement plan service providers and investment managers, including banks, mutual fund companies, insurance companies, third party administrators, trade clearing firms and benefits consultants. Through the combined expertise of its member companies, the Institute provides research, education, testimony and comments on pending legislative and regulatory issues to members of Congress and relevant Government agency officials. Collectively, its members serve approximately 70 million participants in 401(k) plans, and the substantial majority of all participants in 403(b) plans.

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