



### **403(b) Pre-approved Plan Documents are here!**

For the first time, the IRS has issued pre-approved 403(b) plan documents. A pre-approved plan document is one that has been submitted to the IRS by a plan service provider (a pre-approved plan “sponsor”) and that has received a favorable opinion letter from the IRS. This means that the IRS has approved the form of the document for use with a 403(b) plan, and any plan sponsor that adopts the plan can rely on that approval. Many investment providers are pre-approved plan sponsors.

There are some important advantages to plan sponsors that adopt a pre-approved document prior to March 31, 2020:

- By adopting a prototype document prior to March 31, 2020, the IRS excuses any defect in the drafting of the existing document dating back to January 1, 2010, such as required amendments that have not been kept up to date.
- The sponsor of the plan document will maintain the document and provide any required amendments.
- You have the assurance that the document has been approved by the IRS. This is especially helpful with regulatory and required annual audits.

Please note that you still must have administered the plan correctly.

#### **What this means for your plan....**

We recommend that you consider restating the plan document using a new pre-approved plan document as they become available. A pre-approved plan document might not be right for every plan, but we can help you decide if it is the right choice for you.

If you do decide to adopt a pre-approved plan, we can help you with the transition. Pre-approved plan document forms can be complicated to complete. We offer the following options:

**Compliance Review and Document Preparation:** Use the pre-approved plan provided by your plan’s investment provider. New Pinnacle Consulting Group conducts a comprehensive compliance review, prepares the draft of the restatement and provides support through the entire implementation process.

**Legal Review Option:** If you want a formal legal review of the document in addition to New Pinnacle’s services, we will work with Evan Giller of the law firm Boutwell Fay to provide you with a legal review of the Plan Document, the Adoption Agreement, and the Summary Plan Description (SPD). The legal review is provided by Boutwell Fay and is separate from New Pinnacle’s services.

#### **Next Steps....**

If you are interested in restating the plan document, please contact us for a service agreement.

Please feel free to call or email if you have any questions. We look forward to providing these services.

Gary Mauger is Managing Partner for New Pinnacle Consulting Group, LLC. He has over 30 years experience working with 403(b) retirement plan compliance.