



## **PPA Restatement FAQ's**

### **It's Here.....Time to Restate All Defined Contribution Plans**

#### ***What is a Pension Protection Act of 2006 (PPA) Restatement?***

Every six years, the IRS requires volume submitter and other types of plan documents to be updated through a restatement process. During each restatement period, the IRS requires that plan documents be amended and restated to incorporate language and provision changes to cover laws and IRS regulations that have taken effect since the last required restatement period. The required changes in this current restatement period cover:

- Pension Protection Act of 2006 (PPA)
- Final 415 regulations
- Heroes Earnings Assistance and Relief Tax Act (HEART)
- Worker, Retiree, and Employer Recovery Act (WRERA)
- Katrina Emergency Tax Relief Act of 2005 (KETRA)
- GULF Opportunity Zone Act of 2005 (GOZone)

The IRS has issued approval letters for volume submitter defined contribution plans, incorporating language required by the Pension Protection Act of 2006 and other statutory changes - all of which took effect between 2007-2011. The release of the most recent IRS approval letters started the mandatory restatement period for ERISA-covered defined contribution plan documents (including 401(k), Profit Sharing, and Money Purchase Plans).

All ERISA-covered Defined Contribution plan documents must be amended and restated, no later than April 30, 2016, to maintain their special tax-exempt status.

#### ***When will I need to restate my Plan?***

Means & Associates, LLC is ready to assist our clients in meeting the restatement deadline with the goal of having all plans restated before the end of 2015.

You will receive separate communication directly from your Means & Associates Senior Consultant. Plan restatements will be processed on a first in / first out basis, once we receive your authorization and applicable retainer payment.

#### ***What Do I Need to Do?***

Your Senior Consultant will walk you through the step-by-step restatement process, which will include a review of your existing plan provisions and those provisions that are required to be changed.

Although the requirement to restate your plan is mandatory, this is also the most efficient and cost-effective time to make any plan document or provision changes you may be considering. We strongly recommend that you look at your current plan provisions to determine whether they are meeting your goals. We will work with you to ensure that your plan still meets your needs and expectations.

### ***What is required for a PPA Restatement?***

As a full service consulting firm, we are committed to working with you to ensure that your plan meets your needs, while staying in IRS and DOL compliance. The restatement process includes:

- Discussions and/or illustrations of **plan alternatives** that you would like to consider at this time;
- Drafting of your restated **PPA Document**;
- 1 hour **conference call** or meeting at our offices to review your draft documents;
- Completion of your **PPA Plan Documents** (Restated Plan, Updated Summary Plan Description (SPD), IRS Opinion Letter, Participation Agreement (if applicable), and updated Plan Administrative Policies);
- Preparation of updated **Participant Communications** (cover letter, acknowledgement of receipt, updated SPD, new Beneficiary Designation form, and plan notices (if applicable)).

Your Senior Consultant will send you a consulting authorization for your approval, prior to any work being completed.

### ***What if I Just Restated My Plan, Don't Want to Restate, or miss the Restatement Deadline?***

If your Plan was restated on or after May 1, 2014, your Plan may have satisfied the PPA restatement requirement already. Your Senior Consultant will confirm whether or not your Plan is already PPA-compliant. If you do not restate your Plan by April 30, 2016, you will jeopardize your Plan's tax-exempt status.

### ***If I terminate my plan before the deadline, do I still have to restate?***

If you are considering terminating your plan before April 30, 2016, please contact your Senior Consultant so that we can discuss with you the IRS' plan termination options and how they relate to the restatement requirement.

### ***Can the Plan Assets Pay for the Restatement?***

Yes, because the PPA Restatement is mandated by the IRS, Means & Associates' fees to prepare the restatement and associated documents, notices, and policies are permitted to be paid from your Plan's assets.

### ***Where Can I Learn More about the PPA Restatement?***

The IRS has various sites that describe different components of this required plan restatement.

Your Means & Associates Senior Consultant will be reaching out directly to you and can lead you to the IRS sites that would apply to your Plan. If you have any questions, please contact us at (619) 696-7284.

PPA Restatement FAQ's is not intended as legal advice or as an opinion of specific facts.

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