



PLAN RESTATEMENTS ARE A REQUIREMENT.



You may already be aware that the Internal Revenue Service requires all defined benefit plan documents be restated on a fixed, six-year cycle. While we'll ensure your plan is restated as required, you may have some questions about the process and why it's necessary.

Frequently Asked Questions on Plan Restatements

Q What's the timeline for the restatement cycle?

A Each restatement cycle lasts 24 months. This restatement cycle, also known as Cycle 3, runs from April 1, 2023 until it closes on March 31, 2025.

Q What do I need to do to get started?

A You have a choice between two options. Be sure to inform [Julie Yanez](mailto:Julie.Yanez@RetirementSolutionGroup.com) of your choice (Julie@RetirementSolutionGroup.com) so we can prioritize our work and provide an invoice. If we don't hear from you before December 31st, we will assume Option 2.

>>> Option 1: Request a Plan Review.

Use this Restatement as an opportunity to improve your plan. If you like, we'll review your plan together and consider how changes in your business or new legislation may provide opportunities that benefit you and your participants.

>>> Option 2: Restate the Plan As-Is.

If you don't need to make any other changes to your plan, we'll review and rewrite your plan document to include any previously adopted plan amendments along with the new provisions as required by the IRS or the DOL.

Q Which types of plans must be restated?

A This upcoming mandatory restatement period is for defined benefit plans which includes cash balance plans. All qualified retirement plans that use an IRS pre-approved plan document must be restated approximately every six years.

Q Why are plan documents restated?

A Plan documents are drafted based on laws and regulations set forth by Congress, the Treasury Department, and the DOL. As new laws and regulations are passed and finalized, documents must be updated to reflect those changes.

Since the last defined benefit restatement cycle, which ended on July 31, 2020, there have been a number of regulatory and legislative changes impacting retirement plans, including the following:

- »»» Expansion of the definition of “spouse” to include those of the same gender
- »»» Ability to rollover distributions from a qualified plan to a SIMPLE IRA
- »»» Methods to distribute a participant’s accrued benefit partially as an annuity and partially as a lump sum or other accelerated form of payment

Q We just restated our plan. Do we have to do it again?

A Yes. Regardless of how recently you may have amended or restated your plan, it could not have satisfied the new requirements as the IRS had not yet issued their approval letter for Cycle 3 documents.

Q We are terminating our plan. Do we have to restate?

A When a plan is terminated, it must be updated with all required law changes. If a plan is terminated after April 1, 2023, the restatement will become a required part of the legal plan documentation required for the plan termination process.

Q Our plan is new this year. Do we have to restate?

A Yes. Newly created plans could not have satisfied the Cycle 3 restatement requirement as the IRS had not yet issued approval letters. However, there is some flexibility for plan sponsors to restate a plan during the restatement cycle as long as the restated plan is adopted and signed before March 31, 2025.

Q Why weren’t the CARES & SECURE Act provisions included in the Cycle 3 restatement?

A Cares and Secure Act are addressed as a separate, good-faith amendment rather than in the plan documents. These Acts missed the IRS approval deadline of December 1, 2019.

Q What happens if the deadline to restate for Cycle 3 is missed?

A Plans that do not adopt a timely-signed Cycle 3 restatement plan document by March 31, 2025 will be subject to IRS-imposed penalties. This may also affect the qualified status of your plan and contributions made to the plan.

Q What are the fees for the restatement of my document?**A** \$1,750 for Option 1 (Plan review)
\$1,200 for Option 2 (Without Plan review)**Q Can I pay for the restatement fee from plan assets?****A** Yes. Since the restatement is mandatory, the expense is eligible to be paid from plan assets.**Q What is included in the restated documents package?****A** Plan Sponsors will receive the restatement plan documents which includes:

1. Adoption Agreement
2. Basic Plan Document
3. Trust Agreement
4. Board Resolution
5. Secure and Cares Act
6. Plan Highlights
7. Summary Plan Description
8. IRS Advisory Letter

Q What do I need to do when I receive the restatement documents?**A** Our email accompanying your restated documents will explain in detail where to sign and date. Upon completion, please send us your signature pages for our file. Plan Sponsors must adopt the Cycle 3 restated plan document by March 31, 2025.

If you need additional assistance of any sort, please contact our plan compliance team at Retirement Solution Group:

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