

COMPLIANCE BULLETIN

January 1997*

IRS Extends Effective Dates for Certain Nondiscrimination Rules

On December 16, 1996, the IRS further extended the effective dates of certain Tax Reform Act of 1986 (TRA '86) regulations for Governmental Plans, Nonelecting Church Plans, plans maintained by Tax-Exempt Organizations and Code §403(b) Plans. The chart below gives an overview of these extensions in *bold italics*.

Effective Dates (PY = Plan Year)

Internal Revenue Code Sections	Governmental Plans	Church Plans Not Electing to Be Covered by ERISA	Plans of Other Tax Exempt Organizations	Tax Sheltered & Tax Deferred Annuities - Code §403(b) Plans
General Nondiscrimination §401(a)(4)	Generally, first day of 1999 PY	First day of 1999 PY	First PY <i>beginning on or after October 1, 1997</i>	Until the IRS issues further guidance regarding special nondiscrimination requirements of §403(b)(12), plans may continue to rely on Notice 89-23.
Minimum Participation §401(a)(26)	Generally, first day of 1999 PY	First day of 1989 PY	First day of 1989 PY	Generally, plans must comply with the §401(a)(17) compensation limit for the first day of the 1996 PY.
Minimum Coverage §410(b)	Generally, first day of 1999 PY	N/A Subject to Pre-ERISA regulations	First PY <i>beginning on or after October 1, 1997</i>	
Uniform Definition of Compensation §414(s)	Generally, first day of 1999 PY	First day of 1999 PY	First PY <i>beginning on or after October 1, 1997</i>	

* Republished November 2004 to reflect Prudential Financial's acquisition of CIGNA's retirement business.

CODAs/Matching and Employee Contributions §401(k) & (m)	Generally, first day of first PY beginning on or after October 1, 1997	August 15, 1991	August 15, 1991
Controlled Groups for Aggregating Entities §414(b) & (c)	Not before first day of first PY beginning after December 31, 2000		
Special rules relating to nondiscrimination requirement §401(a)(5)	Generally, first day of 1996 PY	First day of 1999 PY	First PY beginning on or after October 1, 1997
Permitted Disparity (previously known as integration) §401(l)	Generally, first day of 1996 PY	First day of 1999 PY	First PY beginning on or after October 1, 1997
Qualified Separate Lines of Business §414(r)	To be determined	To be determined	First PY beginning on or after October 1, 1997
TRA '86 Filing Deadline	Generally, last day of 1999 PY	Last day of 1999 PY	Last day of first PY beginning on or after October 1, 1997

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