

November 2005

Deadline Near for EGTRRA Amendments To Governmental Section 457(b) Plans

Sponsors of governmental section 457 plans may need to take action before December 31, 2005.

In July 2003, the IRS published final regulations providing guidance to sponsors of governmental section 457(b) plans for complying with the changes made by the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), the Taxpayer Relief Act of 1997 (TRA 97), and the Small Business Job Protection Act of 1996 (SBJPA). These rules confirmed that governmental section 457(b) plans must have a written plan document that reflects the section 457(b) tax rules, including changes made by EGTRRA, TRA 97 and SBJPA.

In August 2004, the IRS published [model amendments](#) that sponsors of governmental section 457 plans may adopt to ensure that their plans are properly amended. These model amendments replace the model amendments that the IRS had originally provided to help plan sponsors comply with the SBJPA changes to Internal Revenue Code section 457. A governmental plan sponsor that adopts a model amendment by December 31, 2005, will be treated as satisfying the plan document requirement of the 2003 regulations with respect to changes made by EGTRRA, TRA 97 and SBJPA.

If Prudential Retirement provides document services for your governmental section 457(b) plan, this has already been taken care of for you.

If Prudential Retirement does not provide document services for your plan, you should review your plan document, the [final regulations](#), and the [IRS model amendments](#) to determine if you need to adopt an amendment before the end of 2005.

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