



COMPLIANCE BULLETIN

July 2000*

IRS Extends GUST Amendment Deadline

The IRS has again extended the deadline for amending plans to reflect changes required by the: Uruguay Round Agreements Act (GATT), Uniformed Services Employment and Reemployment Rights Act (USERRA), Small Business Job Protection Act of 1996 (SBJPA), Taxpayer Relief Act of 1997 (TRA'97), and IRS Restructuring and Reform Act of 1998. Collectively, these acts are referred to as GUST.

The general GUST amendment deadline has now been extended *to the last day of the first plan year beginning on or after January 1, 2001*. Previously, the deadline was the last day of the 2000 plan year.

Church plans that do not elect to be covered by ERISA now have just one deadline for making amendments reflecting changes made by the Tax Reform Act of 1986 (TRA'86), the Unemployment Compensation Act of 1992 (UCA), the Omnibus Budget Reconciliation Act of 1993 (OBRA'93) and GUST. All of these amendments are now due by the last day of the 2001 plan year.

The IRS has also extended the GUST amendment deadline for *governmental plans*. The new deadline is the later of (1) the last day of the 2001 plan year, or (2) the last day of the first plan year beginning on or after the "2000 legislative date." The "2000 legislative date" is the 90th day after the opening of the first legislative session beginning after December 31, 1999, of the governing body with authority to amend the plan, if that body does not meet continuously. This deadline also applies to governmental plan amendments required by TRA'86, UCA, and OBRA'93.

There is no special amendment deadline provided for plans that are maintained subject to *collective bargaining agreements*.

The amendment deadline for plan sponsors that use either a *prototype or volume submitter* document may be extended even further. These plan sponsors do not have to adopt GUST documents until the later of the last day of the 2001 plan year or the end of the 12th month following the date the IRS issues the Opinion Letter or Advisory Letter for the underlying base plan document.

On June 26, 2000, the IRS began issuing determination letters for individually designed plans that take into account all GUST changes (the IRS refers to these as "GUST II letters"). While GUST II reviews are now standard for applications received on or after June 26, 2000, plan sponsors may specifically request "GUST I letters," which do not take into account SBJPA changes that took

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

effect in plan years beginning after December 31, 1998. They may also request "pre-GATT letters," which do not cover any GUST provisions. In general, a plan with either a GUST I or a pre-GATT letter will have to request a GUST II determination by the applicable amendment deadline and pay an additional user fee. To receive a GUST II letter, most plan sponsors will have to completely restate their plan documents.

If you have questions about how the amendment deadline extension affects your plan, please contact your Prudential Retirement representative.

Prudential Financial is a service mark of The Prudential Insurance Company of America, Newark, NJ and its affiliates. The Pension Analyst is published by Prudential Retirement, a Prudential Financial business, to provide clients with up-to-date information on current legislation and regulatory developments affecting qualified retirement plans.