

July 10, 2008

## IRS, Treasury Implement PPA Clarification of Required Minimum Distribution Rules for Government Plans

On July 10, 2008, the Internal Revenue Service and the Treasury [proposed regulations](#), pursuant to section 823 of the Pension Protection Act of 2006, providing that governmental plans are treated as satisfying the required minimum distribution rules of Internal Revenue Code section 401(a)(9) if they comply with a reasonable, good faith interpretation of those rules. The proposed regulations would apply to:

- Governmental plans within the meaning of Code section 414(d);
- Eligible governmental section 457(b) plans; and
- Section 403(b) contracts that are part of governmental plans (within the meaning of section 414(d)).

Conforming changes are proposed for various regulations, and existing Treas. Reg. §1.401(a)(9)-6, Q&A-16, which provides a special rule for annuity payments under governmental plans, would be eliminated.

The proposed regulations would be effective for all years to which section 401(a)(9) applies. Comments on the proposed regulations are due by October 8, 2008.



*Please contact any of the following members of our Employee Benefits and Executive Compensation practice if you have any questions regarding this development:*

George H. Bostick	202.383.0127	<a href="mailto:george.bostick@sutherland.com">george.bostick@sutherland.com</a>
Daniel M. Buchner	202.383.0869	<a href="mailto:daniel.buchner@sutherland.com">daniel.buchner@sutherland.com</a>
Adam B. Cohen	202.383.0167	<a href="mailto:adam.cohen@sutherland.com">adam.cohen@sutherland.com</a>
Alice Murtos	404.853.8410	<a href="mailto:alice.murtos@sutherland.com">alice.murtos@sutherland.com</a>
Robert J. Neis	404.853.8270	<a href="mailto:robert.neis@sutherland.com">robert.neis@sutherland.com</a>
Vanessa A. Scott	202.383.0215	<a href="mailto:vanessa.scott@sutherland.com">vanessa.scott@sutherland.com</a>
W. Mark Smith	202.383.0221	<a href="mailto:mark.smith@sutherland.com">mark.smith@sutherland.com</a>
William J. Walderman	202.383.0243	<a href="mailto:william.walderman@sutherland.com">william.walderman@sutherland.com</a>
Carol A. Weiser	202.383.0728	<a href="mailto:carol.weiser@sutherland.com">carol.weiser@sutherland.com</a>

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