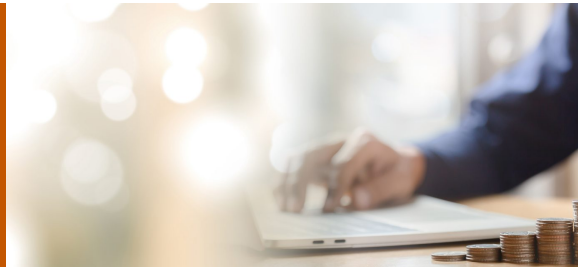


JO Knows “Cycle 3” Plan Document Restatements for 401(k) Plans

APRIL 27, 2022 | BY: THE RETIREMENT PLAN ADMINISTRATION TEAM



Time is running out.... A deadline three months from now feels like a long way off, but it's not. Within the last three months, the USA won 25 medals at the Winter Olympics and the Los Angeles Rams won the Super Bowl, and both events feel like they occurred just a few weeks ago.

The IRS requires all retirement plan sponsors to restate their plan document (Adoption Agreement and Trust Agreement) every 6 years. A restatement is an entirely new Plan Document that incorporates any amendments and/or law changes since your last Plan Document was adopted. This current restatement deadline (called “Cycle 3”) for 401(k) and Profit Sharing Plans is July 31, 2022, which is quickly approaching.

If you or your Third-Party Administrator have not already started reviewing and preparing your IRS-required Plan Document Restatement, you run the risk that it won't be restated in a timely manner. If you have experienced delays from your TPA in responding to your e-mails and phone calls, or trouble receiving your compliance testing results and contribution calculations on a timely basis, are you confident that your Plan Document will be restated on time?

If the Cycle 3 Restatement deadline is missed, your Plan Document will be considered “non-compliant” by the IRS; and you, as Plan Sponsor will be considered to be a “non-amender”. To avoid potential Plan disqualification, you would then need to self-correct by filing directly with the IRS through their Voluntary Correction Program (VCP). The filing fees imposed by the IRS for the VCP are based on the size of your Plan assets, but range from \$1,500 – \$3,500. And these filing fees do not include the additional time and expense to have your TPA prepare the VCP submission on your behalf. Not to mention the added burden of your stress waiting for the IRS to (hopefully) approve your submission.

You can rely on Johnson O'Connor Retirement Plan Services to review your Retirement Plan, recommend the optimal design for your business, and comfortably meet the IRS restatement deadline of July 31st. Please contact us if we can help you stay in compliance and avoid costly penalties. To learn more about Johnson O'Connor's Retirement Plan Services, please visit our [website](#).

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