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## PayDay

**Many non-profit organizations and churches fund employee retirement plans with tax-deferred annuity contracts. The IRS previously issued regulations for 2009 which would regulate employer-sponsored 403(b) plans much more strictly and similar to the more stringent requirements applied to Section 401(k) retirement plans.**

### **TEMPORARY RELIEF**

The IRS realized that many employer-sponsors of 403(b) annuity programs required more time to comply with the new IRS regulations. Accordingly, the IRS issued Notice 2009-3 on December 11, 2008 which will treat Section 403(b) annuity plans as conforming to the new regulations for 2009 IF:

- By December 31, 2009, the plan sponsor has adopted a written 403(b) plan that is intended to satisfy the requirements of 403(b) and the regulations;
- During 2009, the plan sponsor operates the plan in accordance with a reasonable interpretation of 403(b) and the related regulations; and
- By the end of 2009, the plan sponsor makes its best efforts to retroactively correct any operational failure during the 2009 calendar year to conform to the written plan.

**All employers who sponsor 403(b) plans should review their compliance with a "third party administrator" (TPA) as soon as possible.**

We appreciate technical information provided to us by American Pension Advisors, an Indianapolis TPA, who assisted us with this PayDay. You can contact them at 317-573-5001 or visit them online at [www.apapensions.com](http://www.apapensions.com).

**AccuPay's CPP/CPA teams would also be pleased to assist you with further questions or concerns. Simply call us at 885-7600.**

*PayDay is an email communication of payroll news, legal updates and tax considerations intended to inform clients and colleagues of AccuPay about current payroll issues and planning techniques. You should consult with your CPA or tax advisor before implementing any ideas, comments or planning techniques.*

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