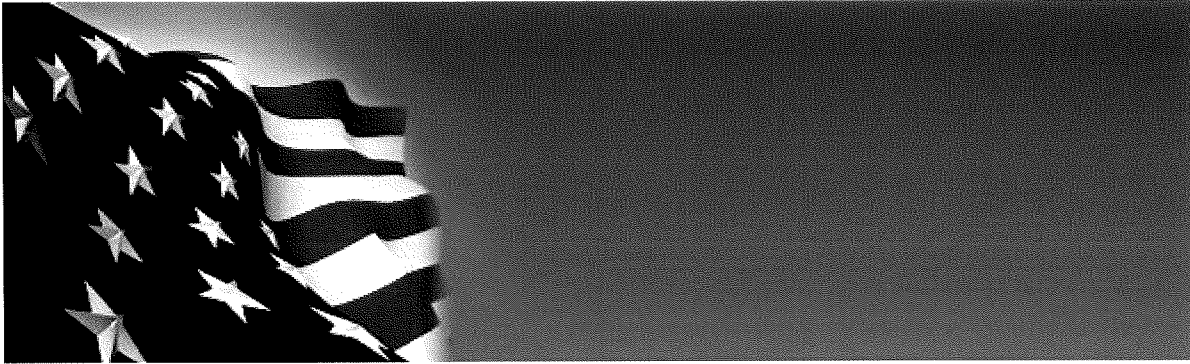


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**CYPEN & CYPEN  
NEWSLETTER  
SPECIAL SUPPLEMENT  
for  
OCTOBER 14, 2014**

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Stephen H. Cypen, Esq., Editor

Never Forget September 11, 2001

and

Always Remember May 2, 2011

**IRS INFORMATION LETTER ON EFFECTIVE DATE FOR  
NORMAL RETIREMENT AGE REGULATIONS**

On October 10, 2014 Internal Revenue Service issued information letter INFO 2014-0030. The release responds to an inquiry dated June 27, 2014, which Representative Nick Rahall wrote on behalf of a constituent. Representative Rahall asked about the normal retirement age rules under Section 1.401(a)-1(b) of the Income Tax Regulations, which were published in the Federal Register on April 5, 2007. He wanted to know if the Treasury Department and IRS have a new approach for governmental plans or if they intend to apply the 2007 regulations as currently written to governmental plans beginning on January 1, 2015. Treasury and IRS issued Notice 2012-29 on April 30, 2012, which addresses both concerns. The notice announced that IRS and Treasury intended to modify provisions of the 2007 NRA regulations as applied to governmental plans. It also asked for comments on additional ways that the 2007 NRA regulations could be

modified. Treasury and IRS have reviewed the comments received through this notice, and are drafting proposed regulations that would modify the 2007 NRA regulations. Once the proposed regulations are issued, governmental plans community will have the opportunity to provide comments on them. Notice 2012-29 also addresses the concern about the effective date of the 2007 NRA regulations to governmental plans. It specifically provides that:

The IRS and Treasury intend to amend the 2007 NRA regulations to change the effective date for governmental plans to annuity starting dates that occur in plan years beginning on or after the later of (1) January 1, 2015 or (2) close of the first regular legislative session of the legislative body with the authority to amend the plan that begins on or after the date that is 3 months after the final regulations are published in the Federal Register. Governmental plan sponsors may rely on this notice with respect to the extension until such time as the 2007 NRA regulations are so amended.

Thus, the January 1, 2015 effective date would only apply if it was later than the 2nd part of the effective date, which would be a date after regulations modifying the 2007 regulations are published. Since proposed regulations modifying the 2007 NRA regulations have not yet been issued, it is highly unlikely that the first part of the effective date would ever apply. As Notice 2012-29 provides, governmental plans may rely on the extended effective date.

\* \* \* \* \*

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