

December 16, 2010 www.mcvpr.com**EMPLOYEE BENEFITS ALERT*****IRS extends the relief period of Revenue Ruling 2008-40 until January 1, 2012***

IRS Revenue Ruling 2011-1 provides the following with respect to plans described in Section 1022(i)(1) of the Employee Retirement Income Security Act ("1022(i)(1) Plan"):

- Rev. Rul. 2008-40 was modified to extend the transition relief for transfers from a qualified plan to a 1022(i)(1) transferee plan for an additional year, up to January 1, 2012
- The IRS will issue guidance as to whether such plans may participate in an 81-100 group trust
- Until such guidance is issued, the IRS will not treat a group trust as failing to satisfy the requirements of Rev. Rul. 81-100 merely because the group trust includes the assets of a 1022(i)(1) Plan, as long as the 1022(i)(1) Plan:
 - (1) was participating in the group trust as of January 10, 2011, or
 - (2) holds assets that had been held by a qualified plan immediately prior to the transfer of those assets to the 1022(i)(1) Plan pursuant to the transition relief in Rev. Rul. 2008-40

IRS Revenue Ruling 2011-1 is available at: <http://www.irs.gov/pub/irs-drop/rr-11-01.pdf>.

If you have any questions, you may call the following attorneys, members of our [Employee Benefits Practice Team](#):

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