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EMPLOYEE BENEFITS ALERT

Time is Running Out to Comply with the Plan Qualification Requirements under the 2011 PR Code

As advised in our [February 7, 2012 McV Employee Benefits Alert](#), the Puerto Rico Treasury Department ("Treasury") issued Internal Revenue Circular Letter No. 11-10 ("CL 11-10") to provide guidance on the requirements and procedures for the qualification of retirement plans under the Puerto Rico Internal Revenue Code of 2011 (the "2011 PR Code").

Pursuant to CL 11-10, Puerto Rico qualified plans must be **amended** on or before the end of the plan year beginning on or after January 1, 2012 (i.e., **on or before December 31, 2012**, for a plan with a calendar year), to comply with the provisions of the 2011 PR Code.

A plan that is timely amended to comply with the 2011 PR Code must also request an **updated qualification letter** from Treasury on or before the due date, including any extension, of the employer's 2012 Puerto Rico income tax return (i.e., **April 15, 2013, or July 15, 2013 with extension**, for calendar year employers).

Plans that are not timely amended to comply with the 2011 PR Code provisions and that are not timely submitted for qualification before Treasury under the 2011 PR Code, will be deemed non-qualified plans.

If you have any questions or would like our assistance regarding this matter, you may contact any of the following members of our Employee Benefits Practice Team:

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