## Part IV

## Items of General Interest

Model Amendment for Retirement Plans for Proposed Regulations Under Section 401(a)(9)

## Announcement 2001-18

Proposed regulations under § 401(a)(9) of the Internal Revenue Code, relating to required minimum distributions from retirement plans, were published in the Federal Register on January 17, 2001 (the 2001 Proposed Regulations). The 2001 Proposed Regulations are proposed to be effective for distributions for calendar years beginning on or after January 1, 2002. The preamble to the 2001 Proposed Regulations states that taxpayers may rely on regulations under § 401(a)(9) that were proposed in 1987 (the 1987 Proposed Regulations) or on the 2001 Proposed Regulations "[f]or determining required minimum distributions for calendar year 2001." For this purpose, distributions for calendar year 2001 do not include a distribution that is required to be made by April 1, 2001, for calendar year 2000, such as for an IRA owner or retired qualified plan participant who attains age 70½ in 2000. To determine the amount of such a distribution (as in the case of other distributions for calendar years prior to 2001), taxpayers may rely on the 1987 Proposed Regulations.

The preamble to the 2001 Proposed Regulations contains a model amendment for qualified plan sponsors to adopt if they wish to follow the 2001 Proposed Regulations in making distributions for 2001 and subsequent calendar years. The first sentence of the model amendment, as published in the Federal Register on January 17, 2001, referred to distributions made in calendar years beginning on or after January 1, 2000, but was intended to refer instead to distributions made for calendar years beginning on or after January 1, 2001. A correction notice is being submitted to the Office of the Federal Register. The 2001 Proposed Regulations, as corrected, will be published in the Internal Revenue Bulletin. The correct model amendment reads as follows:

## Model Amendment

"With respect to distributions under the Plan made for calendar years beginning on or after January 1, 2001 (ALTERNATIVELY, SPECIFY A LATER CALENDAR YEAR FOR WHICH THE AMENDMENT IS TO BE INITIALLY EFFECTIVE), the Plan will apply the minimum distribution requirements of section 401(a)(9) of the Internal Revenue Code in accordance with the regulations under section 401(a)(9) that were proposed on January 17, 2001, notwithstanding any provision of the Plan to the contrary. This amendment shall continue in effect until the end of the last calendar year beginning before the

effective date of final regulations under section 401(a)(9) or such other date as may be specified in guidance published by the Internal Revenue Service."

Qualified plan sponsors that wish to follow the 2001 Proposed Regulations in making distributions for 2001 and subsequent calendar years should adopt the corrected model amendment as set forth above in lieu of the model amendment as published in the preamble to the 2001 Proposed Regulations in the Federal Register on January 17, 2001. A plan sponsor that adopted the model amendment as published in the Federal Register on January 17, 2001, should amend its plan to substitute the corrected model amendment set forth above for the model amendment that was previously adopted.