
Change to Schedule Q

Announcement 97-2

This announcement modifies Schedule Q (January 1996) of the Form 5300 series applications to reflect amendments to § 401(a)(26) of the Internal Revenue Code made by § 1432 of the Small Business Job Protection Act of 1996 (SBJPA), effective for plan years beginning after December 31, 1996.

Beginning with the 1997 plan year, the minimum participation requirements of § 401(a)(26) apply only to defined benefit plans. Therefore, until the application form is revised, applicants requesting a determination letter for a defined contribution plan for plan years beginning after December 31, 1996, may answer “Yes” to questions 2a and 2i of Part II of Schedule Q (January 1996). The additional information described in the instruction to line 2(a) (Demo 2) need not be submitted for defined contribution plans.

Applicants should note that § 401(a)(26)(A)(ii) was amended by SBJPA to require a plan to benefit at least 2 employees (or 1 employee if there is only 1 employee) for plan years after December 31, 1996. Schedule Q does not reflect this modification to § 401(a)(26)(A)(ii).
