

## Employee Benefits Plan Alert

# IRS Issues Its Updated Operational Compliance List

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The Internal Revenue Service (IRS) recently issued its [Operational Compliance List](#) (OCL) to help plan sponsors and practitioners achieve operational and “form” (i.e., plan documentation) compliance by identifying changes in qualification requirements effective during a calendar year.

The current OCL identifies changes effective in 2019, 2018, 2017 and 2016. Although going back to 2016 may seem “old,” that year has been the primary year of recent IRS examinations with which we have been assisting our clients with their retirement plans.

### OCL Goals

The OCL is updated periodically to reflect new legislation and IRS guidance; however, it is not intended to be an “all-encompassing list” of every item of IRS guidance or new legislation that can affect a particular plan.

The OCL:

- Identifies matters that may involve either mandatory or discretionary plan amendments depending on the particular plan.
- May reference other significant guidance that affects daily plan operations.
- Is available on the [IRS webpage only](#); it won't be in the Internal Revenue Bulletin.
- Does not include annual, monthly or other periodic changes that routinely occur, such as cost-of-living increases.

### Some Specific Changes Covered

For the 2019 year, the changes include the sections of the Bipartisan Budget Act of 2018 which impacted the processing and availability regarding hardship distributions.

Another significant change was the relief provided by the IRS and Treasury pertaining to victims of Hurricanes Florence and Michael. This “relief” generally concerns the providing of assets from a plan, providing a repayment period to the plan, and the related income tax provisions related to this processing. This relief was provided through March 15, 2019.

The hardship distribution changes are effective for plan years beginning after December 31, 2018.

The OCL contains references to the sources of IRS regulations, or other issued guidance that fully explains the change and effective date(s).

Our prior **Tax Notes** on changes to retirement plans made by the [Tax Cuts and Jobs Act](#) (TCJA) and [Bipartisan Budget Act of 2018](#) (BBA) can be accessed at the respective links provided.

## Contact Us

The Employee Benefit Services Group (EBSG) at PKF O'Connor Davies is available to assist employers with the review of plan documents and can also assist with the various compliance reporting and other requirements imposed by federal agencies. We also provide a full spectrum of compliance services for qualified retirement plans, 403(b) plans, non-qualified deferred compensation plans, and welfare plans.

For more information, please contact your client services partner or either of the following:

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