



TOPIC: **What Benefits Should be Payable from Qualified Defined Benefit Pension Plans?**

**EXECUTIVE SUMMARY:** *Earlier this year the IRS published the attached Notice 2007-14, announcing its intention to publish regulations giving further definition to the types of benefits that are and are not permissible in qualified pension plans. The NCCMP plans to file a response that will include general comments, such as urging the agency to grandfather existing promised benefits and to provide substantial time for transitioning to compliance with any new restrictions.*

*We also want to describe any unusual benefits that multiemployer pension plans provide, urging the agency to continue to allow plans to provide those types of benefits even if they are not traditional accrued benefits. For example, we believe that pro rata pensions are, essentially, a retirement-type subsidy that plans can provide on their own terms rather than formal accrued benefits that must accrue and vest in accordance with ERISA standards. We also plan to argue that supplemental benefits paid to over-65 retirees to help them pay their Medicare premiums are, although not officially health benefits, retirement-type subsidies that are acceptable in pension plans.*

*Please let us know about any other non-standard type benefits that your multiemployer pension plan and or clients offer, if you want us to include them in our list. Unfortunately, time is short: please respond at your very earliest convenience so that your concerns will also be included.*

PURPOSE: **REQUEST FOR COMMENTS**

CATEGORY: **QUALIFIED DEFINED BENEFIT PENSION PLANS**

ISSUER: **IRS**

TARGET AUDIENCE: **DEFINED BENEFIT PENSION PLAN TRUSTEES AND ADVISORS**

INPUT REQUESTED: **COMMENTS**

OFFICIAL COMMENT PERIOD ENDS: **MAY 13, 2007**

NCCMP DEADLINE: **APRIL 27, 2007**

FORWARD COMMENTS TO: [Multi-elert@nccmp.org](mailto:Multi-elert@nccmp.org)

REFERENCE: **VOL.7, ISSUE 1**

FOR ADDITIONAL BACKGROUND SEE: **IRS Notice 2007-14, 2007-7 IRB 501, 01/29/2007, IRC Sec(s). 401**