



# News Release

DATE: June 2, 2009  
CONTACT: Jeff Close, The SPARK Institute  
860-658-5058

## SPARK INSTITUTE COMMENTS ON AND COMMENDS INTERNAL REVENUE SERVICE FOR 403(b) PLANS PROTOTYPE PROGRAM

SIMSBURY, CT, June 2 – The SPARK Institute submitted a comment letter to the Internal Revenue Service (IRS) commending it on the proposed 403(b) plans prototype program, and requesting changes that will expand availability of the program and help clarify certain issues. The comment letter is available on The SPARK Institute website at [www.sparkinstitute.org/comments-and-materials.php](http://www.sparkinstitute.org/comments-and-materials.php).

“The SPARK Institute is pleased that the IRS proposed the prototype plan program,” said Larry H. Goldbrum, General Counsel. “We believe that the program will promote compliance with the 403(b) plan rules and be very useful to plan sponsors.” Goldbrum noted that The SPARK Institute had recommended in 2008 that the IRS develop a prototype plan document to assist plan sponsors in complying with the regulations.

The SPARK Institute also requested a number of changes to the proposed prototype plan document in order to 1) expand employer eligibility to use the document, 2) clarify the interaction between certain document provisions and the underlying funding vehicles, and 3) allow employers additional flexibility. “We believe that the most significant revision necessary to expand the availability of the prototype program is to permit the use of a vesting schedule in the prototype plan,” said Goldbrum. “Many 403(b) plans, especially ERISA-covered plans, include employer contributions with vesting schedules. Those plans will not be able to use the prototype if vesting schedule provisions are not added,” he said.

The SPARK Institute is the leading voice in Washington for the retirement services industry. Through the combined expertise of its member companies, The SPARK Institute provides research, education, testimony and comments on pending legislative and regulatory issues to members of Congress and relevant government agency officials. Collectively, its members serve over 62 million defined contribution plan participants, including 80 percent of 403(b) plan participants.

####

**SHAPING AMERICA’S RETIREMENT**